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LEGISLATIVE HISTORY

Public Law 140--78th Congress

Chapter 229--1st Session

H. R. 3030

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DIGEST OF PUBLIC LAW 140

SECOND DEFICIENCY APPROPRIATION ACT, 1943. Appropriates funds for National Resources Planning Board liquidation, Civil Service Commission, WPA liquidation, surplus-property utilization through the Procurement Division, judgments and claims, a penalty-mail investigation by the Joint (Byrd) Committee on Nonessential Federal Expenditures, Government Printing Office, public works (community facilities), Inter-American Highway, war housing, War Department flood control (restoration of works damaged by 1943 floods), loans (\$15,000,000) for flood relief for farmers in stricken areas (through such existing agency as the Secretary of Agriculture may determine administrative expenses not to exceed 10%), and work relief in Puerto Rico.

INDEX AND SUMMARY OF HISTORY ON H. R. 3030

June 5, 1943	Hearings: House, H. R. 3030.
June 23, 1943	House Committee on Appropriations reported H. R. 3030. House Report 577. Print of the report and bill as reported. Committee Print of the Report.
June 24, 1943	Debated and passed House with amendments.
June 25, 1943	Print of the bill as referred to the Committee on Appropriations (Senate).
June 30, 1943	Senator Lucas submitted an amendment he intends to propose on flood control.
July 1, 1943	Hearings: Senate, H. R. 3030.
July 3, 1943	Senate Appropriations Committee reported with amendments. Senate Report 386. Print of the bill as reported.
July 5, 1943	Debated and passed Senate with amendments. Senate and House Conferees appointed. Speech of Hon. William Lemke on crop insurance.
July 6, 1943	House received Conference Report. House Report 675.
July 7, 1943	Both Houses agreed to Conference Report and acted on amendments in disagreement. House and Senate Conferees appointed for further conference.
July 8, 1943	Both Houses agreed to second Conference Report. House Report 695.
July 12, 1943	Approved. Public Law 140.

[COMMITTEE PRINT]

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

78TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. —

SECOND DEFICIENCY APPROPRIATION BILL, 1943

JUNE 23, 1943.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. —]

The Committee on Appropriations submit the following report in explanation of the accompanying bill entitled "A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes"—the second deficiency appropriation bill, 1943.

The Budget estimates upon which the bill is based were submitted in House Documents of the present session numbered 197, 210, 219, 220, 221, 225, 226, 227, 228, 229, 230, 231, 232, 233, 238, and 240, aggregating \$38,500,860.60.

The amount recommended in the bill is \$36,245,360.60, a decrease in the amount of the Budget estimates of \$2,255,500.

The total in the bill is classified by fiscal years as follows:

Deficiency items, fiscal year 1943:

Post Office Department	\$21, 126, 195
Employees' Compensation Commission, compensation fund	500, 000
Miscellaneous	20, 000

\$21, 646, 195. 00

Judgments and authorized claims	1, 070, 565. 60
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Supplemental items, fiscal year 1944:

Work relief in Puerto Rico and Virgin Islands	\$7, 000, 000	
Payment to Panama and Import-Export Bank	2, 700, 000	
Procurement Division, Treasury:		
Property Utilization Branch ..	3, 250, 000	
Liquidation of procurement activities for Work Projects Administration	137, 500	
Civil Service Commission	411, 600	
National Resources Planning Board	29, 500	
		\$13, 528, 600. 00
		36, 245, 360. 00

POSTAL SERVICE

Deficiency items for the postal field service, totaling \$21,126,195, are approved. The principal amounts include \$11,750,000 for pay of clerks at first- and second-class post offices, \$4,500,000 for railroad transportation of mail, \$1,875,000 for compensation of postmasters, \$1,100,000 for the Star Route Service, \$1,100,000 for payment of fees of special-delivery messengers, and miscellaneous items totaling \$293,000. The additional amounts are accounted for by the greatly increased volume of mail over that anticipated when the original 1943 appropriation estimates were formulated and to the heavy volume of mail carried free for those in the armed forces.

The postal revenues were estimated at \$907,000,000 for 1943 at the time of the formulation of the original estimates of the 1943 appropriations. The revenues are now estimated at \$954,000,000 and the gross expenditures at \$970,000,000, indicating a gross deficit of \$16,000,000. This is gratifyingly small in view of the fact that there are included in the gross expenditures approximately \$40,000,000 on account of war overtime and other pay increases put into effect in this fiscal year and also such expenditures as have been necessary in order to handle and carry the free mail to persons in the armed forces estimated for this fiscal year at 1,900,000,000 pieces. This mail at the standard 3-cent rate for each piece would yield \$57,000,000 in revenue although the out-of-pocket cost to the Government of handling it is considerably less than that.

FEDERAL WORKS AGENCY

Work relief in Puerto Rico and the Virgin Islands.—The committee has approved the sum of \$7,000,000 of the Budget estimate of \$8,000,000 for continuing work relief in Puerto Rico and the Virgin Islands for the period commencing July 1, 1943, and ending November 30, 1943, or a 5-month program. This action is pursuant to the authorization contained in House Joint Resolution 128 which passed the House of Representatives on May 27 and the Senate on June 15 and is now before the President. This legislation originated with the Committee on Insular Affairs of the House as a stopgap measure pending inspection by that committee of conditions in the islands and the formulation

of a permanent type of program for insular development and self-support. Unless some temporary expedient is continued in effect the work-relief program operated by the former Work Projects Administration will cease on June 30 next and widespread suffering and greater unemployment in the islands will follow.

The unemployment situation in Puerto Rico is due largely to inherent economic conditions of overpopulation of the small area, lack of industries, and decline of some of the agricultural industry. It has been accentuated by a further decrease in employment opportunities by the completion of defense construction work for the Army and Navy and to the restricted shipping operations incident to the war which have curtailed imports and exports and forced the closing of some business activities.

While employment in the United States is at the peak, the reverse is true in the islands. Unemployment is at the peak. Out of a total population of less than 2,000,000 in Puerto Rico, the committee is advised that a conservative estimate of the employable unemployed is 250,000. The project employment under the Federal Works Agency is now giving work to 41,000 persons. This still leaves some 209,000 employables without present employment of whom 91,000 are certified as eligible for employment on these projects if opportunity should be afforded.

A subcommittee of the House Committee on Insular Affairs recently visited the islands and the committee had the benefit of first-hand information relative to the existing conditions from Representative McGehee who appeared before the subcommittee and stressed the necessity of this temporary measure pending the formulation by the Committee on Insular Affairs and the adoption by Congress of a corrective program along more fundamental and permanent lines.

The employment on Work Projects Administration projects in Puerto Rico in August 1942 was 19,000. Due to decline of employment on Army and Navy construction and to shipping restrictions affecting the economy of the islands, this employment on Work Projects Administration rose to a high of 43,500 in March of this year and is at the approximate level of 41,000. The amount approved by the committee will continue an average slightly under this throughout the 5 months for which the appropriation makes provision. Agricultural employment is at a low level during this 5-month period as the sugarcane season ends about July 1 and does not renew until late fall.

The committee, in making the decrease of \$1,000,000 has noted that the amount for nonlabor cost which heretofore has averaged from \$4 to \$4.50 per month per worker is based upon \$6 per month per worker for the coming fiscal year. If nonlabor costs are held to the level of 1943, the employment which can be given under the \$7,000,000 carried in the bill will not be greatly less than the average proposed by the Budget estimate. The committee feels that under the circumstances the sum allowed will provide a reasonable interim program.

The types of projects operated are mainly road construction and health and welfare activities. School-lunch projects are feeding some 160,000 underprivileged children daily. Malnutrition is prevalent due to low living standards and faulty eating habits. Food production and preservation projects are carried on to increase the supply of vegetables, a deficient factor in the dietary habits. Production of

vegetables on these projects is estimated at 1,500,000 pounds per month. The largest proportion of employment is on construction projects. Approximately 65 percent of the construction employment is on projects certified by the Secretary of War or the Secretary of the Navy as important to national defense, principally road construction which will be useful for deployment of forces to various points in the islands by motor vehicles.

The amount approved is based upon a labor cost per worker employed of an average of \$31 per month. Unskilled labor is on the basis of 20 cents per hour compared to a 30-cent rate paid by contractors on Federal construction projects for the Army and Navy.

Sponsor contributions from the insular treasury have accounted for 26 percent of the total cost of all projects and will continue at not less than that basis for the 5 months. No sponsor contributions are provided from funds of other Federal agencies.

The committee desires to stress the importance, in addition to road construction, of projects for sanitation. Malaria is very prevalent. More malaria cases occur in Puerto Rico with its 2,000,000 people in the course of a year than prevail in the entire United States with 130,000,000 population.

The \$7,000,000 will be expended pursuant to the appropriate provisions of the Emergency Relief Appropriation Act of the fiscal year 1943, which have been extended and made applicable to the sum in the bill. These provisions cover sponsors contributions, types of projects, earnings schedules, hours of work, maximum Federal cost on any project limited to not more than 75 percent of the total, proof of need as a condition precedent to employment, review of need, and other regulatory provisions in the law.

The amount for administrative expenses is limited to \$350,000 which is 5 percent of the total.

Liquidation of Work Projects Administration.—A Budget estimate requesting the reappropriation of \$1,165,000 of the unexpended balance of funds heretofore granted to the Work Projects Administration was submitted to enable the Federal Works Administrator to complete the liquidation of the affairs of the Work Projects Administration and wind up its business. The committee approves the sum of \$1,065,000 for this purpose. Included in the request is the sum of \$583,632 for the payment of accrued and accumulated leave of employees due them after June 30, 1943. In making the allowance of \$1,065,000, the committee has incorporated this amount for accrued leave and set it apart exclusively for this particular purpose. The remainder of the amount allowed, \$481,368, is for the payment of personnel and other expenses of administration incident to closing out all of the pending business of the Work Projects Administration.

A large amount of work remains to be performed in the fiscal year 1944. Three field finance offices will be kept open until the end of September for the disposition of pending accounts. After that date all business will be transacted from the Washington office.

A large number of claims remain to be adjudicated including property damage claims, civil and criminal cases are pending, settlement of accounts with the General Accounting Office involves exceptions taken by the Comptroller General and their explanation, settlement of unliquidated items involves 22,000 as of May 31, injury claims and

payment of employee compensation involve relations with the Employees' Compensation Commission and the furnishing of records and evidence, payment of accrued and accumulated leave will continue for some months, thousands of inquiries concerning persons with employment records on Work Projects Administration are received from the Army, Navy, and other Federal agencies. The preservation and classification of the voluminous records both from Washington and the numerous field offices and their orderly storage is a sizable operation.

The committee in making the reduction of \$100,000 has eliminated that amount from the items for personal services in Washington and other objects of expenditure. The Budget estimate contemplated a peak total of 319 personnel in Washington and in the field for the month of July, dropping to a total of 138 in Washington only for October and gradually reducing month by month until a total of 57 is reached in June 1944. The reduction made by the committee will have the effect of curtailing some of this personnel more rapidly and effecting a decrease in some of the other proposed items of incidental expense.

Surplus equipment of the Work Projects Administration amounting to approximately \$25,000,000 will have been turned over to the Property Utilization Branch of the Procurement Division of the Treasury Department by June 30 next, together with the custody of 51 Work Projects Administration warehouses, and surplus property will not be a liquidation problem of the Work Projects Administration. It is estimated that of the funds available to the Work Projects Administration in 1943, \$347,000,000, an unexpended balance of \$106,500,000 will remain on June 30, 1943.

TREASURY DEPARTMENT

Payment to Panama, etc.—The Budget estimate of \$2,700,000 for payment to the Republic of Panama and to the Export-Import Bank of the United States on account of Panama's share of the cost of the Chorrera-Rio Hato Highway is approved. This amount is authorized by section 3 of the joint resolution approved May 3, 1943. The construction of the highway at an estimated cost of \$4,000,000 was undertaken on the basis of \$1,500,000 by the United States and \$2,500,000 by the Republic of Panama. Panama borrowed her share from the Export-Import Bank, \$2,500,000, with interest at the rate of 4 percent. The road was to be constructed by Panama with technical advice from the United States. After the declaration of war, the War Department asked that responsibility for the construction of the road be turned over to the Public Roads Administration of the United States and it was completed under that direction in accordance with specifications which were above the needs at the time the highway was originally contemplated. The highway is strategically important for military purposes and the United States has free and uninterrupted use of it as well as all other roads in the Republic. In consideration for making other defense areas available to the United States for protection of the Canal and Canal Zone, the United States agreed to assume responsibility for the Republic's loan from the Export-Import Bank and the amount in the bill is to reimburse Panama for the principal and interest repaid on that loan and to pay

the bank for the remainder of the amounts due from Panama. Interest at 4 percent is still running on the unpaid amounts and will continue until this appropriation is made and completion of payment effected.

Procurement Division—Liquidation of Work Projects Administration procurement.—During the period of operation of projects of the Work Projects Administration, the procurement of supplies, materials, and equipment for the projects was effected by the Procurement Division. This responsibility was carried on through field procurement offices appropriately located to meet the requirement of the Work Projects Administration project programs. Coincident with the order to shut down operations of the Work Projects Administration, the field procurement offices were discontinued with the exception of one in each of eight regions. Since the inception of the Work Projects Administration program the Procurement Division has effected purchases for the Work Projects Administration of supplies and materials approximating \$1,400,000,000.

A Budget estimate of \$150,000 was considered by the committee to complete liquidation of the Division's connection with these purchases. All purchase for Work Projects Administration has ceased, but the Division has the responsibility for handling and closing out some 41,000 separate accounts involving approximately \$4,800,000 in disbursement. The committee has approved the sum of \$137,500, a decrease in the amount requested of \$12,500.

Field work will continue in seven field offices until September at which time three will be closed and a fourth in December, leaving three offices in the field for the remainder of the period required for liquidation. The general wind-up work consists principally of processing outstanding accounts representing purchases made, concluding incomplete transactions, and the disposition of files and property. The payment of pending obligations is complicated due to difficulty in obtaining proper authenticating documents from scattered files and to the inability to retain experienced personnel in a fading activity.

Procurement Division—Property Utilization Division.—The committee has approved the sum of \$3,250,000 of a Budget estimate of \$4,500,000 for the fiscal year 1944 for receiving, warehousing, rehabilitating, selling, and accounting for surplus supplies and materials transferred to the Procurement Division pursuant to the provisions of Executive Order 9235 of August 16, 1942, which became effective on October 16, 1942.

The Director of Procurement has the responsibility under this order to receive, warehouse, rehabilitate, sell to other Government agencies or otherwise dispose of surplus supplies and equipment transferred to his custody on order of the Director of the Bureau of the Budget or voluntarily transferred from other agencies no longer having use for the supplies and materials.

Assembly of this surplus material, much of it involving material and supplies critically needed for war purpose, was undertaken with an allocation of \$600,000 from the President's emergency fund. As of May 31 a total of 14,981 declarations of surplus with an appraised value of \$17,423,917 had been made to the division. As of that date transfers and sales of a dollar value of \$8,617,955 had been effected and this amount covered into the Treasury as miscellaneous receipts. The cost per dollar value of handling the property thus sold is 4.4 cents.

The Budget estimate for fiscal 1944 was based upon an estimated value of property coming into the custody of the Division of \$100,000,000. The committee has canvassed the possible source of such a volume of surplus and has based the amount allowed in the bill on property of a value of \$85,000,000 being surplus. The matter is largely conjectural, depending for its large volume mainly upon quantities which the War Department may determine to be surplus and voluntarily turn over to the Division for disposition. The sum of \$3,250,000 in the bill is predicated upon handling about \$85,000,000 of surplus declarations at the rate of 4.4 cents per dollar of value. The committee also eliminated from the Budget estimate the sum of \$494,000 for payment of war overtime pay in pursuance of the practice established in connection with all other agencies of providing such amounts on a deficiency basis after the fiscal year progresses far enough to form reliable estimates of cost.

The conservation and utilization of this surplus property through a central property agent is greatly in the interest of economy and efficient use of Government assets. Work Projects Administration property to a value of approximately \$25,000,000 has already been turned over and custody of Work Projects Administration warehouses will be temporarily maintained by the Division pending disposition of those supplies. This activity is valuable not only for present operations in connection with surplus from Work Projects Administration, National Youth Administration, Farm Security, War Department, and other sources, but it has great potential usefulness as a going organization with facilities capable of expansion to handle some of the surpluses that will immediately occur upon the cessation of war hostilities.

Prior to the initiation of this work, surplus material in the field was turned over by one agency in the field to another without charge against appropriations and without centralized control as to necessity and advisability. A different situation existed in the District of Columbia where all such transfers were accompanied by payment through deduction from the purchasing agency's appropriation. The pay procedure is now extended to the field under the Executive order and should result in a better conservation of the material and a closer control over appropriated funds.

A large item in the recommended appropriation is \$319,500 for recapping 42,600 automobile and truck tires. These tires were received from other Government agencies under the provisions of the Executive order which required them to return to surplus all tires in excess of their current needs. The cost of recapping is based on an average of \$7.50 per tire and the job will be let to contract as the result of competitive bids.

CIVIL SERVICE COMMISSION

Board of Legal Examiners.—The committee has approved the Budget estimate of \$86,600 for continuing the Board of Legal Examiners in the Civil Service Commission for the fiscal year 1944. In connection with the presentation of the independent offices appropriation bill, 1944, to the House, the committee eliminated an identical sum from that bill. In the report at that time the committee said:

The reasons for the denial of these funds are well known to the Commission and are fully set forth in the statement of the managers on the part of the House in the conference report on the independent offices appropriation bill for 1943.

The committee has obtained a rather favorable impression of the work of the Board in recent months but prefers to withhold approval until pending legislation on the matter is favorably acted upon.

The Independent Offices Appropriation Act, 1944, also contains a limitation prohibiting any of the Commission's money in that bill from being used for the Board of Legal Examiners. The situation, therefore, is that the Board will go out of existence on June 30, next, unless funds are made available for it in this bill or the prohibition in the Independent Offices Act is repealed to permit its continuance and a deficiency on that account to be incurred.

The legislation to which the committee report refers passed the House on April 19, last, H. R. 1025. It has not passed the Senate. The committee is advised that favorable action is expected soon.

The committee has attached a provision to the funds making their availability contingent upon the enactment into law of H. R. 1025.

Salaries and expenses (national defense).—A Budget estimate of \$325,000 for salaries and expenses for the fiscal year 1944 is approved. Executive Order 9330 of April 16, 1943, transferred from the Division of Central Administrative Services of the Office for Emergency Management to the Civil Service Commission, the function of recruiting and classifying personnel in the field of the war agencies within the Office for Emergency Management and the Office of Price Administration. By this order there were transferred from the Division to the Commission, 272 positions with annual salaries of \$573,880 engaged upon this work. The Commission proposes to do the work in the fiscal year 1943 with 137 positions with annual salaries totaling \$325,000, resulting in the abolition of 135 positions with an annual salary saving of \$248,880. The funds for the Division of Central Administrative Services for the fiscal year 1944 in the National War Agencies Appropriation Act reflect this reduction. The Commission finds it possible to effectuate this saving by integrating the recruitment work for these agencies with its own recruitment program in the regional offices and will also with this staff undertake to set up standards for the proper classification of all field positions, in accordance with the directions of the order, in the constituent agencies of the Office for Emergency Management and the Office of Price Administration. It is the opinion of the Commission that such classification will not result in any aggregate increase in pay-roll costs but will have the effect of providing uniform salaries in the different agencies in the same locality for the same grade of work.

NATIONAL RESOURCES PLANNING BOARD

The independent offices appropriation bill, 1944, contains a provision abolishing the National Resources Planning Board not later than August 31, 1943, and makes provision for personnel to wind up the affairs of the Board after that date but not later than January 1, 1944. An appropriation of \$50,000 was provided in the bill for these purposes.

A Budget estimate of \$42,500 was submitted for consideration in this bill providing exclusively for the payment of accrued leave due employees of the Board after June 30, 1943, and to which they are entitled upon severance from the service unless they go to another

Federal agency in which case the accrued-leave credit and payment obligation are transferred to the other agency.

Consideration of the accrued-leave estimate brought before the committee the Board's proposed liquidation budget. It consisted of the following items:

Compensation of Board members and advisors, 1 meeting in July and 1 in August.....	\$2, 900
Salaries of 28 employees for periods varying from 1 to 6 months in closing out the accounts and other business in Washington and in field offices.....	35, 500
Accumulated and accrued annual leave.....	42, 500
Travel (Board meetings and closing out field offices).....	1, 500
Telephone and freight.....	2, 700
Printing reports.....	3, 500
Contingencies.....	6, 400
Total.....	95, 000

The \$50,000 in the Independent Offices Appropriation Act, 1944, and the \$42,500 submitted in the present Budget estimate, total \$92,500 or \$2,500 less than the liquidation budget proposed by the Board.

The committee has allowed \$29,500 and in so doing has approved the amount for accrued leave of \$42,500. The committee has reduced the amount of \$2,900 for compensation of Board members for meetings in July and August from \$2,900 to \$900, has eliminated the item for contingencies of \$6,400, and made a further cut in the salary and miscellaneous items of \$7,100. The amount disallowed is all taken from the Budget estimate considered in connection with this bill. The \$50,000 in the Independent Offices Appropriation Act, 1944, is consolidated with the \$29,500 recommended in this bill making a total of \$79,500. Of this total amount the bill requires that not less than \$42,500 shall be set apart exclusively for payment of the accrued leave and shall not be used for other purposes and the remaining amount, \$37,000, is segregated for payment of all other expenses of liquidation.

The Board has 250 employees, the active service of all of whom with the exception of the 28 to be retained for short periods in connection with the discontinuance operations, will terminate on July 2. In connection with the determination of the amounts necessary to be paid for accrued leave, a canvass of the personnel of the Board was undertaken. Some are retiring, some are returning to State or private employment, some have selective-service classifications which indicate early induction into the armed forces if they pass the physical examinations, and some are taking vacations without having made future plans of employment. The total accrued leave due all personnel after June 30, 1943, is \$98,000. Those who are transferred to other Federal agencies need not be paid the accrued amounts; the leave credits and the Government obligation with respect to them is assumed by the agency to which they are transferred. The \$42,500 for accrued leave is based upon approximately one-half of the personnel going to other agencies and the other half calling for the accrued-leave payments. Employees receiving accrued-leave payments are carried upon the pay roll until the date of expiration of the leave to which they are entitled.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore included in connection with any appropriation bill are recommended:

On pages 7 and 8, in connection with the Civil Service Commission:

: Provided, That the availability of this appropriation for the fiscal year 1944 shall be contingent upon the enactment into law of the bill (H. R. 1025) entitled "An Act To amend Section 1753 of the Revised Statutes to create a Board of Legal Examiners in the Civil Service Commission, and for other purposes."

On page 4, in connection with the liquidation of the Work Projects Administration:

Work Projects Administration liquidation: Not to exceed \$1,065,000, out of balances of appropriations under section 1 (a) of the Emergency Relief Appropriation Act, fiscal year 1943, which remain unobligated on June 30, 1943, is hereby made available to the Administrator, Federal Works Agency, during the fiscal year 1944 for all necessary expenses for the liquidation of the Work Projects Administration, including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of motor-propelled passenger-carrying vehicles; and payment for accumulated and current accrued leave of employees separated from the Government service due to the discontinuance of the Work Projects Administration: Provided, That employees of the Work Projects Administration in leave status and in active duty status on June 30, 1943, may, in the discretion of the Administrator, be transferred to and paid from this appropriation without the necessity of further appointment.

In carrying out the liquidation of the activities under the Emergency Relief Appropriation Acts, fiscal years 1942 and 1943, accounts shall be maintained without regard to the limitations established by said Acts and without regard to project allocations: Provided, That the appropriations established and extended for the completion of Federal construction projects under the provisions of the Emergency Relief Appropriation Act, fiscal year 1943, shall be liquidated and accounted for as one fund: Provided further, That all credits subsequent to June 30, 1943, representing repayments or recoveries on account of funds disbursed out of amounts allocated or made available pursuant to any of the provisions of law referred to in this paragraph, shall be covered into the Treasury as miscellaneous receipts, together with such balances as the Administrator may from time to time determine to be no longer required to meet obligations.

The provisions of section 501 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941, shall be applicable to appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, and there shall be transferred to the "Emergency relief liquidation fund" from appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, sufficient amounts to meet unliquidated obligations incurred thereunder: Provided, That claims certified for payment by the Comptroller General of the United States, chargeable to the "Emergency relief liquidation fund," shall be paid without regard to project allocations.

The Federal Works Administrator, or his designee for such purpose, is authorized to consider, ascertain, adjust, determine, and pay from the foregoing appropriation any claim on account of damage to or loss of privately owned property caused by the negligence of any employee of the Works Progress Administration or the Work Projects Administration while acting within the scope of his employment. No claim shall be considered hereunder which is in excess of \$500, or which is not presented in writing within one year from the date of accrual thereof. Acceptance by a claimant of the amount allowed on account of his claim shall be deemed to be in full settlement thereof, and the action upon such claim so accepted by the claimant shall be conclusive.

On page 6:

SEC. 302. The appropriations and authority with respect to appropriations contained herein shall be available from and including July 1, 1943, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1943, and the date of the enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—) bill compared with Budget estimate
	TITLE I—GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased members, 1944		\$20,000.00	+\$20,000.00
	ARCHITECT OF THE CAPITOL		(1)	
	Capitol grounds, 1944		20,000.00	+20,000.00
	Total, legislative			
	EXECUTIVE OFFICE OF THE PRESIDENT			
240	National Resources Planning Board, payment of accrued leave, 1944	\$12,500.00	29,500.00	—13,000.00
	INDEPENDENT AGENCIES			
221	CIVIL SERVICE COMMISSION			
	Board of Legal Examiners, 1944:			
	Salaries and expenses	81,600.00	81,600.00	
	Printing and binding, 1944	5,000.00	5,000.00	

¹ Reappropriation.

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate—Continued

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill—compared with Budget estimate
TITLE I—GENERAL APPROPRIATIONS—Continued				
	INDEPENDENT AGENCIES—Continued			
	CIVIL SERVICE COMMISSION—continued			
	Salaries and expenses (national defense), 1944-----	\$325, 000. 00	\$325, 000. 00	-----
	Total, Civil Service Commission-----	411, 600. 00	411, 600. 00	-----
220	EMPLOYEES' COMPENSATION COMMISSION			-----
	Employees' compensation fund, 1943-----	500, 000. 00	500, 000. 00	-----
	FEDERAL WORKS AGENCY			-----
219	Work Projects Administration, liquidation, 1944-----	(2)	(2)	-----
238	Work relief in Puerto Rico and Virgin Islands, 1944-----	8, 000, 000. 00	7, 000, 000. 00	—\$1, 000, 000. 00
	Total, Federal Works Agency-----	8, 000, 000. 00	7, 000, 000. 00	—1, 000, 000. 00
	Total, independent agencies-----	8, 911, 600. 00	7, 911, 600. 00	—1, 030, 000. 00
	NAVY DEPARTMENT			-----
230	Claims for damages resulting from collisions of naval vessels, 1943-----	10, 628. 05	10, 628. 05	-----
226	Claims for damages, collision of Coast Guard vessels, 1943-----	882. 88	882. 88	-----
	Total, Navy Department-----	11, 510. 93	11, 510. 93	-----

POST OFFICE DEPARTMENT		
OFFICE OF FIRST ASSISTANT'S OFFICE		
Compensation to postmasters, 1943-----	1, 875, 000. 00	1, 875, 000. 00
Clerks, first- and second-class post offices, 1943-----	11, 750, 000. 00	11, 750, 000. 00
Special delivery fees, 1943-----	1, 100, 000. 00	1, 100, 000. 00
Total, First Assistant's Office-----	14, 725, 000. 00	14, 725, 000. 00
SECOND ASSISTANT'S OFFICE		
Star Route Service, 1943-----	1, 100, 000. 00	1, 100, 000. 00
Railroad transportation and mail-messenger service, 1943-----	4, 500, 000. 00	4, 500, 000. 00
Railway postal clerks, travel allowance, 1943-----	29, 000. 00	29, 000. 00
Railway Mail Service:		
Administrative travel, 1943-----	2, 500. 00	2, 500. 00
Miscellaneous expenses, 1943-----	3, 500. 00	3, 500. 00
Electric-car service, 1943-----	23, 000. 00	23, 000. 00
Total, Second Assistant's Office-----	5, 658, 000. 00	5, 658, 000. 00
THIRD ASSISTANT'S OFFICE		
Stamps, manufacture and distribution, 1943-----	200, 000. 00	200, 000. 00
Unpaid money orders more than 1 year old, redemption, 1943-----	35, 000. 00	35, 000. 00
Total, Third Assistant's Office-----	235, 000. 00	235, 000. 00

² Use of not to exceed \$1,165,000 of unexpended balances of 1943 funds.³ Use of not to exceed \$1,065,000 of unexpended balances of 1943 funds.

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate—Continued

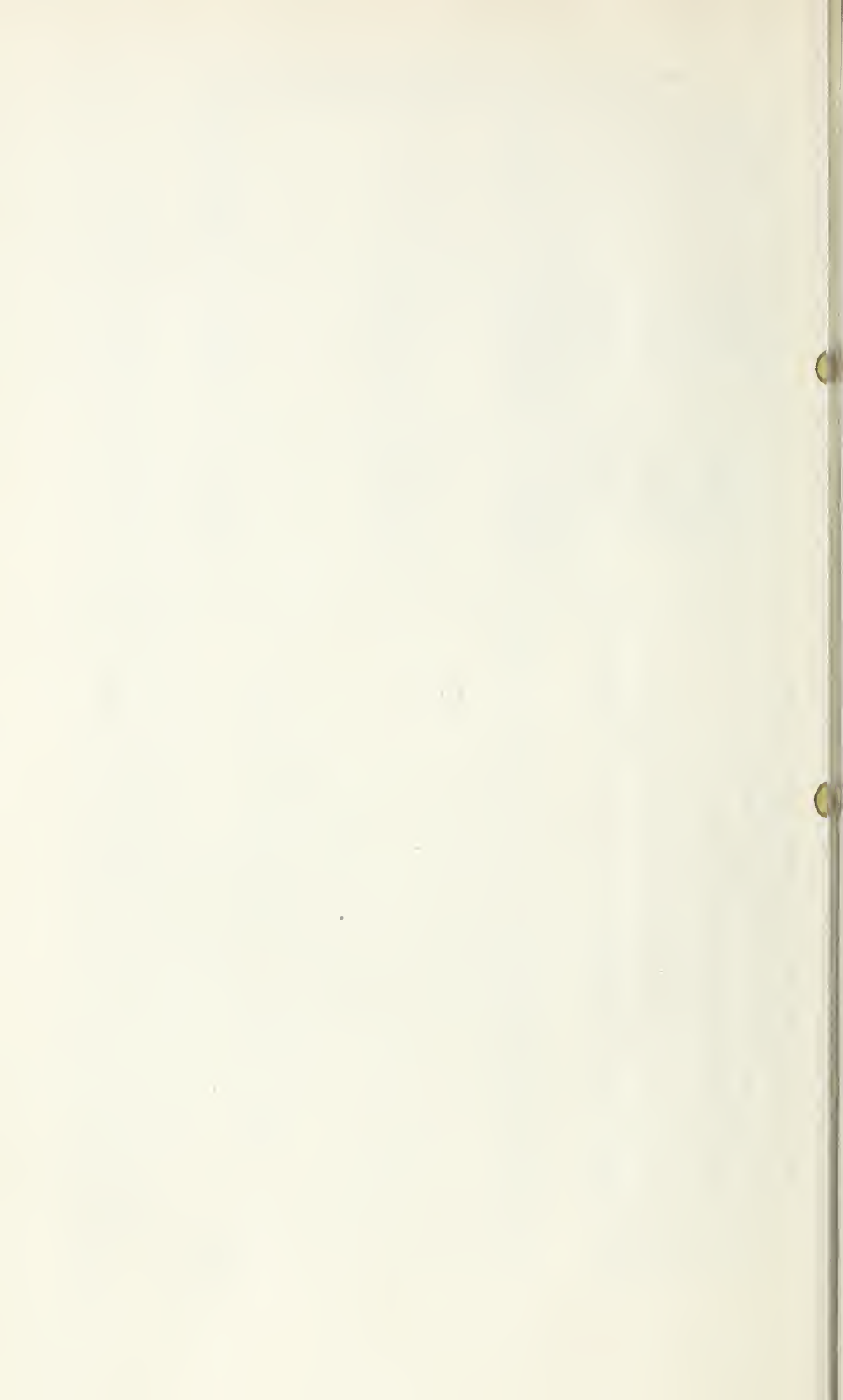
[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimate
TITLE I—GENERAL APPROPRIATIONS—Continued				
	Post Office Department—Continued			
	FOURTH ASSISTANT'S OFFICE			
	Vehicle service, 1943	\$508, 195. 00	\$508, 195. 00	
	Total, Post Office Department	21, 126, 195. 00	21, 126, 195. 00	
	TREASURY DEPARTMENT			
	OFFICE OF SECRETARY OF THE TREASURY			
210	Republic of Panama and Export-Import Bank, payment to, 1943 and 1944	2, 700, 000. 00	2, 700, 000. 00	
	PROCUREMENT DIVISION			
197	Emergency relief, liquidation, 1944	150, 000. 00	137, 500. 00	—\$12, 500. 00
231	Property Utilization Division, 1944	4, 500, 000. 00	3, 250, 000. 00	—1, 250, 000. 00
	Total, Procurement Division	4, 650, 000. 00	3, 387, 500. 00	—1, 262, 500. 00
	Total, Treasury Department	7, 350, 000. 00	6, 087, 500. 00	—1, 262, 500. 00
	Total, title I	37, 441, 805. 93	35, 186, 305. 93	—2, 255, 500. 00

TITLE II—JUDGMENTS AND AUTHORIZED CLAIMS

233	Property damage claims, all departments and agencies, 1943-----	71, 116. 21	71, 116. 21	-----
225	Judgments, United States courts, 1943 and prior years-----	11, 325. 26	11, 325. 26	-----
229	Judgments, Court of Claims, 1943 and prior years-----	232, 578. 66	232, 578. 66	-----
232	Claims allowed by the General Accounting Office, 1943 and prior years-----	738, 176. 55	738, 176. 55	-----
227	Spanish-American War, Philippine Islands travel pay, 1943 and prior years-----	5, 857. 99	8, 587. 99	-----
	Total, title II-----	1, 059, 054. 67	1, 059, 045. 67	-----
	Grand total, titles I and II-----	38, 500, 860. 60	36, 245, 360. 60	-----
				2, 255, 500. 00

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SECOND DEFICIENCY APPROPRIATION BILL, 1943

JUNE 23, 1943.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 3030]

The Committee on Appropriations submit the following report in explanation of the accompanying bill entitled "A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes"—the second deficiency appropriation bill, 1943.

The Budget estimates upon which the bill is based were submitted in House Documents of the present session numbered 197, 210, 219, 220, 221, 225, 226, 227, 228, 229, 230, 231, 232, 233, 238, and 240, aggregating \$38,500,860.60.

The amount recommended in the bill is \$36,245,360.60, a decrease in the amount of the Budget estimates of \$2,255,500.

The total in the bill is classified by fiscal years as follows:

Deficiency items, fiscal year 1943:

Post Office Department	\$21, 126, 195	
Employees' Compensation Commission, compensation fund....	500, 000	
Miscellaneous.....	20, 000	
		\$21, 646, 195. 00
Judgments and authorized claims.....		1, 070, 565. 60

Supplemental items, fiscal year 1944:

Work relief in Puerto Rico and Virgin Islands.....	\$7, 000, 000	
Payment to Panama and Import-Export Bank.....	2, 700, 000	
Procurement Division, Treasury:		
Property Utilization Branch..	3, 250, 000	
Liquidation of procurement activities for Work Projects Administration.....	137, 500	
Civil Service Commission.....	411, 600	
National Resources Planning Board.....	29, 500	
		\$13, 528, 600. 00
		36, 245, 360. 00

POSTAL SERVICE

Deficiency items for the postal field service, totaling \$21,126,195, are approved. The principal amounts include \$11,750,000 for pay of clerks at first- and second-class post offices, \$4,500,000 for railroad transportation of mail, \$1,875,000 for compensation of postmasters, \$1,100,000 for the Star Route Service, \$1,100,000 for payment of fees of special-delivery messengers, and miscellaneous items totaling \$293,000. The additional amounts are accounted for by the greatly increased volume of mail over that anticipated when the original 1943 appropriation estimates were formulated and to the heavy volume of mail carried free for those in the armed forces.

The postal revenues were estimated at \$907,000,000 for 1943 at the time of the formulation of the original estimates of the 1943 appropriations. The revenues are now estimated at \$954,000,000 and the gross expenditures at \$970,000,000, indicating a gross deficit of \$16,000,000. This is gratifyingly small in view of the fact that there are included in the gross expenditures approximately \$40,000,000 on account of war overtime and other pay increases put into effect in this fiscal year and also such expenditures as have been necessary in order to handle and carry the free mail to persons in the armed forces estimated for this fiscal year at 1,900,000,000 pieces. This mail at the standard 3-cent rate for each piece would yield \$57,000,000 in revenue although the out-of-pocket cost to the Government of handling it is considerably less than that.

FEDERAL WORKS AGENCY

Work relief in Puerto Rico and the Virgin Islands.—The committee has approved the sum of \$7,000,000 of the Budget estimate of \$8,000,000 for continuing work relief in Puerto Rico and the Virgin Islands for the period commencing July 1, 1943, and ending November 30, 1943, or a 5-month program. This action is pursuant to the authorization contained in House Joint Resolution 128 which passed the House of Representatives on May 27 and the Senate on June 15 and is now before the President. This legislation originated with the Committee on Insular Affairs of the House as a stopgap measure pending inspection by that committee of conditions in the islands and the formulation

of a permanent type of program for insular development and self-support. Unless some temporary expedient is continued in effect the work-relief program operated by the former Work Projects Administration will cease on June 30 next and widespread suffering and greater unemployment in the islands will follow.

The unemployment situation in Puerto Rico is due largely to inherent economic conditions of overpopulation of the small area, lack of industries, and decline of some of the agricultural industry. It has been accentuated by a further decrease in employment opportunities by the completion of defense construction work for the Army and Navy and to the restricted shipping operations incident to the war which have curtailed imports and exports and forced the closing of some business activities.

While employment in the United States is at the peak, the reverse is true in the islands. Unemployment is at the peak. Out of a total population of less than 2,000,000 in Puerto Rico, the committee is advised that a conservative estimate of the employable unemployed is 250,000. The project employment under the Federal Works Agency is now giving work to 41,000 persons. This still leaves some 209,000 employables without present employment of whom 91,000 are certified as eligible for employment on these projects if opportunity should be afforded.

A subcommittee of the House Committee on Insular Affairs recently visited the islands and the committee had the benefit of first-hand information relative to the existing conditions from Representative McGehee who appeared before the subcommittee and stressed the necessity of this temporary measure pending the formulation by the Committee on Insular Affairs and the adoption by Congress of a corrective program along more fundamental and permanent lines.

The employment on Work Projects Administration projects in Puerto Rico in August 1942 was 19,000. Due to decline of employment on Army and Navy construction and to shipping restrictions affecting the economy of the islands, this employment on Work Projects Administration rose to a high of 43,500 in March of this year and is at the approximate level of 41,000. The amount approved by the committee will continue an average slightly under this throughout the 5 months for which the appropriation makes provision. Agricultural employment is at a low level during this 5-month period as the sugar-cane season ends about July 1 and does not renew until late fall.

The committee, in making the decrease of \$1,000,000 has noted that the amount for nonlabor cost which heretofore has averaged from \$4 to \$4.50 per month per worker is based upon \$6 per month per worker for the coming fiscal year. If nonlabor costs are held to the level of 1943, the employment which can be given under the \$7,000,000 carried in the bill will not be greatly less than the average proposed by the Budget estimate. The committee feels that under the circumstances the sum allowed will provide a reasonable interim program.

The types of projects operated are mainly road construction and health and welfare activities. School-lunch projects are feeding some 160,000 underprivileged children daily. Malnutrition is prevalent due to low living standards and faulty eating habits. Food production and preservation projects are carried on to increase the supply of vegetables, a deficient factor in the dietary habits. Production of

vegetables on these projects is estimated at 1,500,000 pounds per month. The largest proportion of employment is on construction projects. Approximately 65 percent of the construction employment is on projects certified by the Secretary of War or the Secretary of the Navy as important to national defense, principally road construction which will be useful for deployment of forces to various points in the islands by motor vehicles.

The amount approved is based upon a labor cost per worker employed of an average of \$31 per month. Unskilled labor is on the basis of 20 cents per hour compared to a 30-cent rate paid by contractors on Federal construction projects for the Army and Navy.

Sponsor contributions from the insular treasury have accounted for 26 percent of the total cost of all projects and will continue at not less than that basis for the 5 months. No sponsor contributions are provided from funds of other Federal agencies.

The committee desires to stress the importance, in addition to road construction, of projects for sanitation. Malaria is very prevalent. More malaria cases occur in Puerto Rico with its 2,000,000 people in the course of a year than prevail in the entire United States with 130,000,000 population.

The \$7,000,000 will be expended pursuant to the appropriate provisions of the Emergency Relief Appropriation Act of the fiscal year 1943, which have been extended and made applicable to the sum in the bill. These provisions cover sponsors contributions, types of projects, earnings schedules, hours of work, maximum Federal cost on any project limited to not more than 75 percent of the total, proof of need as a condition precedent to employment, review of need, and other regulatory provisions in the law.

The amount for administrative expenses is limited to \$350,000 which is 5 percent of the total.

Liquidation of Work Projects Administration.—A Budget estimate requesting the reappropriation of \$1,165,000 of the unexpended balance of funds heretofore granted to the Work Projects Administration was submitted to enable the Federal Works Administrator to complete the liquidation of the affairs of the Work Projects Administration and wind up its business. The committee approves the sum of \$1,065,000 for this purpose. Included in the request is the sum of \$583,632 for the payment of accrued and accumulated leave of employees due them after June 30, 1943. In making the allowance of \$1,065,000, the committee has incorporated this amount for accrued leave and set it apart exclusively for this particular purpose. The remainder of the amount allowed, \$481,368, is for the payment of personnel and other expenses of administration incident to closing out all of the pending business of the Work Projects Administration.

A large amount of work remains to be performed in the fiscal year 1944. Three field finance offices will be kept open until the end of September for the disposition of pending accounts. After that date all business will be transacted from the Washington office.

A large number of claims remain to be adjudicated including property damage claims, civil and criminal cases are pending, settlement of accounts with the General Accounting Office involves exceptions taken by the Comptroller General and their explanation, settlement of unliquidated items involves 22,000 as of May 31, injury claims and

payment of employee compensation involve relations with the Employees' Compensation Commission and the furnishing of records and evidence, payment of accrued and accumulated leave will continue for some months, thousands of inquiries concerning persons with employment records on Work Projects Administration are received from the Army, Navy, and other Federal agencies. The preservation and classification of the voluminous records both from Washington and the numerous field offices and their orderly storage is a sizable operation.

The committee in making the reduction of \$100,000 has eliminated that amount from the items for personal services in Washington and other objects of expenditure. The Budget estimate contemplated a peak total of 319 personnel in Washington and in the field for the month of July, dropping to a total of 138 in Washington only for October and gradually reducing month by month until a total of 57 is reached in June 1944. The reduction made by the committee will have the effect of curtailing some of this personnel more rapidly and effecting a decrease in some of the other proposed items of incidental expense.

Surplus equipment of the Work Projects Administration amounting to approximately \$25,000,000 will have been turned over to the Property Utilization Branch of the Procurement Division of the Treasury Department by June 30 next, together with the custody of 51 Work Projects Administration warehouses, and surplus property will not be a liquidation problem of the Work Projects Administration. It is estimated that of the funds available to the Work Projects Administration in 1943, \$347,000,000, an unexpended balance of \$106,500,000 will remain on June 30, 1943.

TREASURY DEPARTMENT

Payment to Panama, etc.—The Budget estimate of \$2,700,000 for payment to the Republic of Panama and to the Export-Import Bank of the United States on account of Panama's share of the cost of the Chorrera-Rio Hato Highway is approved. This amount is authorized by section 3 of the joint resolution approved May 3, 1943. The construction of the highway at an estimated cost of \$4,000,000 was undertaken on the basis of \$1,500,000 by the United States and \$2,500,000 by the Republic of Panama. Panama borrowed her share from the Export-Import Bank, \$2,500,000, with interest at the rate of 4 percent. The road was to be constructed by Panama with technical advice from the United States. After the declaration of war, the War Department asked that responsibility for the construction of the road be turned over to the Public Roads Administration of the United States and it was completed under that direction in accordance with specifications which were above the needs at the time the highway was originally contemplated. The highway is strategically important for military purposes and the United States has free and uninterrupted use of it as well as all other roads in the Republic. In consideration for making other defense areas available to the United States for protection of the Canal and Canal Zone, the United States agreed to assume responsibility for the Republic's loan from the Export-Import Bank and the amount in the bill is to reimburse Panama for the principal and interest repaid on that loan and to pay

the bank for the remainder of the amounts due from Panama. Interest at 4 percent is still running on the unpaid amounts and will continue until this appropriation is made and completion of payment effected.

Procurement Division—Liquidation of Work Projects Administration procurement.—During the period of operation of projects of the Work Projects Administration, the procurement of supplies, materials, and equipment for the projects was effected by the Procurement Division. This responsibility was carried on through field procurement offices appropriately located to meet the requirement of the Work Projects Administration project programs. Coincident with the order to shut down operations of the Work Projects Administration, the field procurement offices were discontinued with the exception of one in each of eight regions. Since the inception of the Work Projects Administration program the Procurement Division has effected purchases for the Work Projects Administration of supplies and materials approximating \$1,400,000,000.

A Budget estimate of \$150,000 was considered by the committee to complete liquidation of the Division's connection with these purchases. All purchase for Work Projects Administration has ceased, but the Division has the responsibility for handling and closing out some 41,000 separate accounts involving approximately \$4,800,000 in disbursement. The committee has approved the sum of \$137,500, a decrease in the amount requested of \$12,500.

Field work will continue in seven field offices until September at which time three will be closed and a fourth in December, leaving three offices in the field for the remainder of the period required for liquidation. The general wind-up work consists principally of processing outstanding accounts representing purchases made, concluding incomplete transactions, and the disposition of files and property. The payment of pending obligations is complicated due to difficulty in obtaining proper authenticating documents from scattered files and to the inability to retain experienced personnel in a fading activity.

Procurement Division—Property Utilization Division.—The committee has approved the sum of \$3,250,000 of a Budget estimate of \$4,500,000 for the fiscal year 1944 for receiving, warehousing, rehabilitating, selling, and accounting for surplus supplies and materials transferred to the Procurement Division pursuant to the provisions of Executive Order 9235 of August 16, 1942, which became effective on October 16, 1942.

The Director of Procurement has the responsibility under this order to receive, warehouse, rehabilitate, sell to other Government agencies or otherwise dispose of surplus supplies and equipment transferred to his custody on order of the Director of the Bureau of the Budget or voluntarily transferred from other agencies no longer having use for the supplies and materials.

Assembly of this surplus material, much of it involving material and supplies critically needed for war purpose, was undertaken with an allocation of \$600,000 from the President's emergency fund. As of May 31 a total of 14,981 declarations of surplus with an appraised value of \$17,423,917 had been made to the division. As of that date transfers and sales of a dollar value of \$8,617,955 had been effected and this amount covered into the Treasury as miscellaneous receipts. The cost per dollar value of handling the property thus sold is 4.4 cents.

The Budget estimate for fiscal 1944 was based upon an estimated value of property coming into the custody of the Division of \$100,000,000. The committee has canvassed the possible source of such a volume of surplus and has based the amount allowed in the bill on property of a value of \$85,000,000 being surplus. The matter is largely conjectural, depending for its large volume mainly upon quantities which the War Department may determine to be surplus and voluntarily turn over to the Division for disposition. The sum of \$3,250,000 in the bill is predicated upon handling about \$85,000,000 of surplus declarations at the rate of 4.4 cents per dollar of value. The committee also eliminated from the Budget estimate the sum of \$494,000 for payment of war overtime pay in pursuance of the practice established in connection with all other agencies of providing such amounts on a deficiency basis after the fiscal year progresses far enough to form reliable estimates of cost.

The conservation and utilization of this surplus property through a central property agent is greatly in the interest of economy and efficient use of Government assets. Work Projects Administration property to a value of approximately \$25,000,000 has already been turned over and custody of Work Projects Administration warehouses will be temporarily maintained by the Division pending disposition of those supplies. This activity is valuable not only for present operations in connection with surplus from Work Projects Administration, National Youth Administration, Farm Security, War Department, and other sources, but it has great potential usefulness as a going organization with facilities capable of expansion to handle some of the surpluses that will immediately occur upon the cessation of war hostilities.

Prior to the initiation of this work, surplus material in the field was turned over by one agency in the field to another without charge against appropriations and without centralized control as to necessity and advisability. A different situation existed in the District of Columbia where all such transfers were accompanied by payment through deduction from the purchasing agency's appropriation. The pay procedure is now extended to the field under the Executive order and should result in a better conservation of the material and a closer control over appropriated funds.

A large item in the recommended appropriation is \$319,500 for recapping 42,600 automobile and truck tires. These tires were received from other Government agencies under the provisions of the Executive order which required them to return to surplus all tires in excess of their current needs. The cost of recapping is based on an average of \$7.50 per tire and the job will be let to contract as the result of competitive bids.

CIVIL SERVICE COMMISSION

Board of Legal Examiners.—The committee has approved the Budget estimate of \$86,600 for continuing the Board of Legal Examiners in the Civil Service Commission for the fiscal year 1944. In connection with the presentation of the independent offices appropriation bill, 1944, to the House, the committee eliminated an identical sum from that bill. In the report at that time the committee said:

The reasons for the denial of these funds are well known to the Commission and are fully set forth in the statement of the managers on the part of the House in the conference report on the independent offices appropriation bill for 1943.

The committee has obtained a rather favorable impression of the work of the Board in recent months but prefers to withhold approval until pending legislation on the matter is favorably acted upon.

The Independent Offices Appropriation Act, 1944, also contains a limitation prohibiting any of the Commission's money in that bill from being used for the Board of Legal Examiners. The situation, therefore, is that the Board will go out of existence on June 30, next, unless funds are made available for it in this bill or the prohibition in the Independent Offices Act is repealed to permit its continuance and a deficiency on that account to be incurred.

The legislation to which the committee report refers passed the House on April 19, last, H. R. 1025. It has not passed the Senate. The committee is advised that favorable action is expected soon.

The committee has attached a provision to the funds making their availability contingent upon the enactment into law of H. R. 1025.

Salaries and expenses (national defense).—A Budget estimate of \$325,000 for salaries and expenses for the fiscal year 1944 is approved. Executive Order 9330 of April 16, 1943, transferred from the Division of Central Administrative Services of the Office for Emergency Management to the Civil Service Commission, the function of recruiting and classifying personnel in the field of the war agencies within the Office for Emergency Management and the Office of Price Administration. By this order there were transferred from the Division to the Commission, 272 positions with annual salaries of \$573,880 engaged upon this work. The Commission proposes to do the work in the fiscal year 1943 with 137 positions with annual salaries totaling \$325,000, resulting in the abolition of 135 positions with an annual salary saving of \$248,880. The funds for the Division of Central Administrative Services for the fiscal year 1944 in the National War Agencies Appropriation Act reflect this reduction. The Commission finds it possible to effectuate this saving by integrating the recruitment work for these agencies with its own recruitment program in the regional offices and will also with this staff undertake to set up standards for the proper classification of all field positions, in accordance with the directions of the order, in the constituent agencies of the Office for Emergency Management and the Office of Price Administration. It is the opinion of the Commission that such classification will not result in any aggregate increase in pay-roll costs but will have the effect of providing uniform salaries in the different agencies in the same locality for the same grade of work.

NATIONAL RESOURCES PLANNING BOARD

The independent offices appropriation bill, 1944, contains a provision abolishing the National Resources Planning Board not later than August 31, 1943, and makes provision for personnel to wind up the affairs of the Board after that date but not later than January 1, 1944. An appropriation of \$50,000 was provided in the bill for these purposes.

A Budget estimate of \$42,500 was submitted for consideration in this bill providing exclusively for the payment of accrued leave due employees of the Board after June 30, 1943, and to which they are entitled upon severance from the service unless they go to another

Federal agency in which case the accrued-leave credit and payment obligation are transferred to the other agency.

Consideration of the accrued-leave estimate brought before the committee the Board's proposed liquidation budget. It consisted of the following items:

Compensation of Board members and advisors, 1 meeting in July and 1 in August.....	\$2, 900
Salaries of 28 employees for periods varying from 1 to 6 months in closing out the accounts and other business in Washington and in field offices.....	35, 500
Accumulated and accrued annual leave.....	42, 500
Travel (Board meetings and closing out field offices).....	1, 500
Telephone and freight.....	2, 700
Printing reports.....	3, 500
Contingencies.....	6, 400
Total.....	95, 000

The \$50,000 in the Independent Offices Appropriation Act, 1944, and the \$42,500 submitted in the present Budget estimate, total \$92,500 or \$2,500 less than the liquidation budget proposed by the Board.

The committee has allowed \$29,500 and in so doing has approved the amount for accrued leave of \$42,500. The committee has reduced the amount of \$2,900 for compensation of Board members for meetings in July and August from \$2,900 to \$900, has eliminated the item for contingencies of \$6,400, and made a further cut in the salary and miscellaneous items of \$7,100. The amount disallowed is all taken from the Budget estimate considered in connection with this bill. The \$50,000 in the Independent Offices Appropriation Act, 1944, is consolidated with the \$29,500 recommended in this bill making a total of \$79,500. Of this total amount the bill requires that not less than \$42,500 shall be set apart exclusively for payment of the accrued leave and shall not be used for other purposes and the remaining amount, \$37,000, is segregated for payment of all other expenses of liquidation.

The Board has 250 employees, the active service of all of whom with the exception of the 28 to be retained for short periods in connection with the discontinuance operations, will terminate on July 2. In connection with the determination of the amounts necessary to be paid for accrued leave, a canvass of the personnel of the Board was undertaken. Some are retiring, some are returning to State or private employment, some have selective-service classifications which indicate early induction into the armed forces if they pass the physical examinations, and some are taking vacations without having made future plans of employment. The total accrued leave due all personnel after June 30, 1943, is \$98,000. Those who are transferred to other Federal agencies need not be paid the accrued amounts; the leave credits and the Government obligation with respect to them is assumed by the agency to which they are transferred. The \$42,500 for accrued leave is based upon approximately one-half of the personnel going to other agencies and the other half calling for the accrued-leave payments. Employees receiving accrued-leave payments are carried upon the pay roll until the date of expiration of the leave to which they are entitled.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore included in connection with any appropriation bill are recommended:

On pages 7 and 8, in connection with the Civil Service Commission:

: Provided, That the availability of this appropriation for the fiscal year 1944 shall be contingent upon the enactment into law of the bill (H. R. 1025) entitled "An Act To amend Section 1753 of the Revised Statutes to create a Board of Legal Examiners in the Civil Service Commission, and for other purposes."

On page 4, in connection with the liquidation of the Work Projects Administration:

Work Projects Administration liquidation: Not to exceed \$1,065,000, out of balances of appropriations under section 1 (a) of the Emergency Relief Appropriation Act, fiscal year 1943, which remain unobligated on June 30, 1943, is hereby made available to the Administrator, Federal Works Agency, during the fiscal year 1944 for all necessary expenses for the liquidation of the Work Projects Administration, including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of motor-propelled passenger-carrying vehicles; and payment for accumulated and current accrued leave of employees separated from the Government service due to the discontinuance of the Work Projects Administration: Provided, That employees of the Work Projects Administration in leave status and in active duty status on June 30, 1943, may, in the discretion of the Administrator, be transferred to and paid from this appropriation without the necessity of further appointment.

In carrying out the liquidation of the activities under the Emergency Relief Appropriation Acts, fiscal years 1942 and 1943, accounts shall be maintained without regard to the limitations established by said Acts and without regard to project allocations: Provided, That the appropriations established and extended for the completion of Federal construction projects under the provisions of the Emergency Relief Appropriation Act, fiscal year 1943, shall be liquidated and accounted for as one fund: Provided further, That all credits subsequent to June 30, 1943, representing repayments or recoveries on account of funds disbursed out of amounts allocated or made available pursuant to any of the provisions of law referred to in this paragraph, shall be covered into the Treasury as miscellaneous receipts, together with such balances as the Administrator may from time to time determine to be no longer required to meet obligations.

The provisions of section 501 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941, shall be applicable to appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, and there shall be transferred to the "Emergency relief liquidation fund" from appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, sufficient amounts to meet unliquidated obligations incurred thereunder: Provided, That claims certified for payment by the Comptroller General of the United States, chargeable to the "Emergency relief liquidation fund," shall be paid without regard to project allocations.

The Federal Works Administrator, or his designee for such purpose, is authorized to consider, ascertain, adjust, determine, and pay from the foregoing appropriation any claim on account of damage to or loss of privately owned property caused by the negligence of any employee of the Works Progress Administration or the Work Projects Administration while acting within the scope of his employment. No claim shall be considered hereunder which is in excess of \$500, or which is not presented in writing within one year from the date of accrual thereof. Acceptance by a claimant of the amount allowed on account of his claim shall be deemed to be in full settlement thereof, and the action upon such claim so accepted by the claimant shall be conclusive.

On page 6:

SEC. 302. The appropriations and authority with respect to appropriations contained herein shall be available from and including July 1, 1943, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1943, and the date of the enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—) bill compared with Budget estimate
	TITLE I—GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased members, 1944		\$20, 000. 00	+ \$20, 000. 00
	ARCHITECT OF THE CAPITOL		(1)	
	Capitol grounds, 1944			
	Total, legislative		20, 000. 00	+ 20, 000. 00
	EXECUTIVE OFFICE OF THE PRESIDENT			
240	National Resources Planning Board, payment of accrued leave, 1944	\$42, 500. 00	29, 500. 00	— 13, 000. 00
	INDEPENDENT AGENCIES			
221	CIVIL SERVICE COMMISSION			
	Board of Legal Examiners, 1944:			
	Salaries and expenses	81, 600. 00	81, 600. 00	
	Printing and binding, 1944	5, 000. 00	5, 000. 00	

¹ Reappropriation.

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate—Continued

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimate
	TITLE I—GENERAL APPROPRIATIONS—Continued			
	INDEPENDENT AGENCIES—Continued			
	CIVIL SERVICE COMMISSION—continued			
	Salaries and expenses (national defense), 1944-----	\$325, 000. 00	\$325, 000. 00	-----
	Total, Civil Service Commission-----	411, 600. 00	411, 600. 00	-----
220	EMPLOYEES' COMPENSATION COMMISSION			
	Employees' compensation fund, 1943-----	500, 000. 00	500, 000. 00	-----
	FEDERAL WORKS AGENCY			
219	Work Projects Administration, liquidation, 1944-----	(2)	(2)	-----
238	Work relief in Puerto Rico and Virgin Islands, 1944-----	8, 000, 000. 00	7, 000, 000. 00	—\$1, 000, 000. 00
	Total, Federal Works Agency-----	8, 000, 000. 00	7, 000, 000. 00	—1, 000, 000. 00
	Total, independent agencies-----	8, 911, 600. 00	7, 911, 600. 00	—1, 000, 000. 00
	NAVY DEPARTMENT			
230	Claims for damages resulting from collisions of naval vessels, 1943-----	10, 628. 05	10, 628. 05	-----
226	Claims for damages, collision of Coast Guard vessels, 1943-----	882. 88	882. 88	-----
	Total, Navy Department-----	11, 510. 93	11, 510. 93	-----

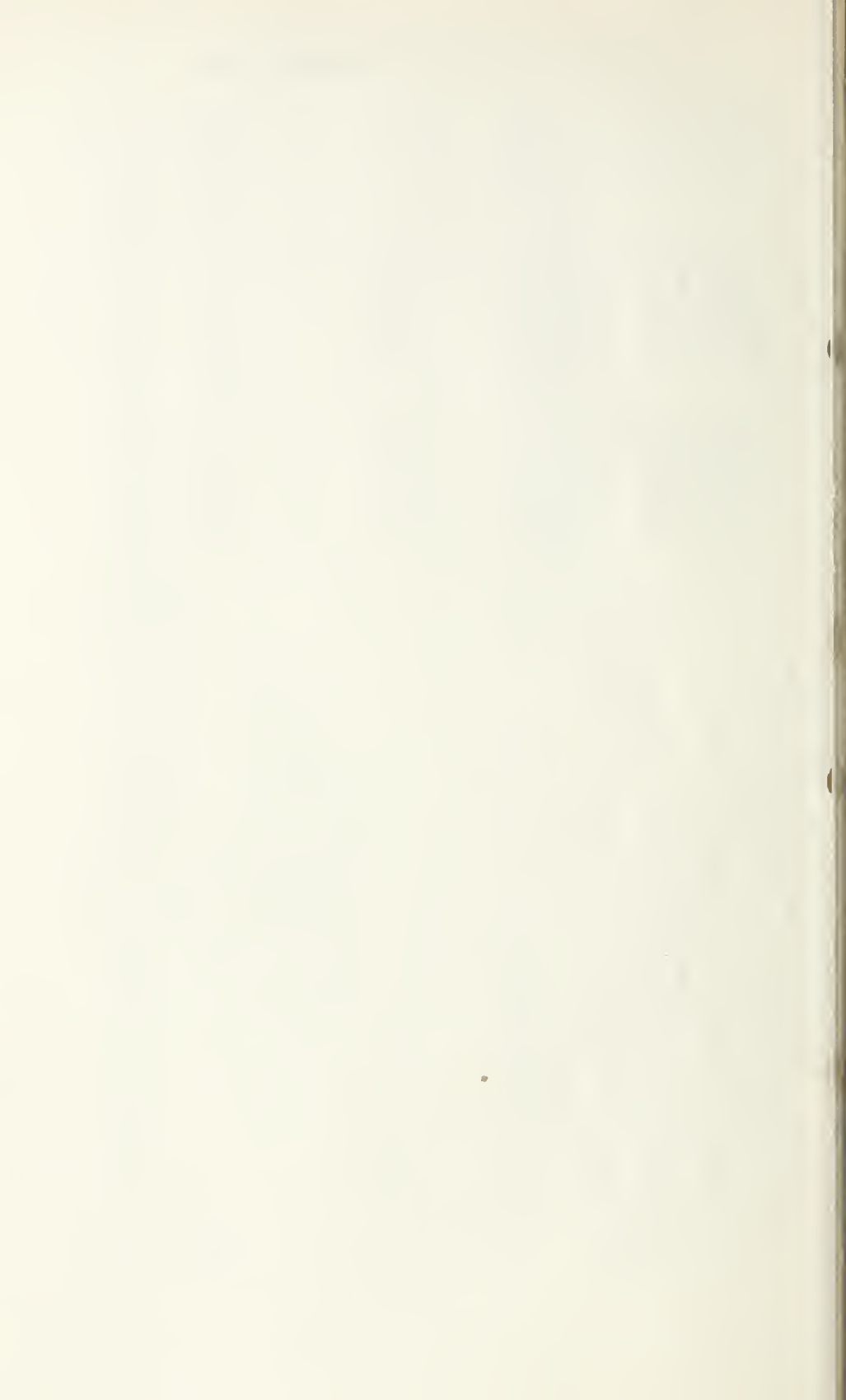
POST OFFICE DEPARTMENT		
OFFICE OF FIRST ASSISTANT'S OFFICE		
Compensation to postmasters, 1943.....	1, 875, 000. 00	1, 875, 000. 00
Clerks, first- and second-class post offices, 1943.....	11, 750, 000. 00	11, 750, 000. 00
Special delivery fees, 1943.....	1, 100, 000. 00	1, 100, 000. 00
Total, First Assistant's Office.....	14, 725, 000. 00	14, 725, 000. 00
SECOND ASSISTANT'S OFFICE		
Star Route Service, 1943.....	1, 100, 000. 00	1, 100, 000. 00
Railroad transportation and mail-messenger service, 1943.....	4, 500, 000. 00	4, 500, 000. 00
Railway postal clerks, travel allowance, 1943.....	29, 000. 00	29, 000. 00
Railway Mail Service:		
Administrative travel, 1943.....	2, 500. 00	2, 500. 00
Miscellaneous expenses, 1943.....	3, 500. 00	3, 500. 00
Electric-car service, 1943.....	23, 000. 00	23, 000. 00
Total, Second Assistant's Office.....	5, 658, 000. 00	5, 658, 000. 00
THIRD ASSISTANT'S OFFICE		
Stamps, manufacture and distribution, 1943.....	200, 000. 00	200, 000. 00
Unpaid money orders more than 1 year old, redemption, 1943.....	35, 000. 00	35, 000. 00
Total, Third Assistant's Office.....	235, 000. 00	235, 000. 00

² Use of not to exceed \$1,165,000 of unexpended balances of 1943 funds.³ Use of not to exceed \$1,065,000 of unexpended balances of 1943 funds.

Comparative statement of the amounts of the Budget estimates, the amounts recommended to be appropriated by the bill, and the increase (+) or decrease (—) of the amounts in the bill compared with the Budget estimate—Continued

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of Budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimate
	TITLE I—GENERAL APPROPRIATIONS—Continued			
	Post Office Department—Continued			
	FOURTH ASSISTANT'S OFFICE			
	Vehicle service, 1943	\$508, 195. 00	\$508, 195. 00	
	Total, Post Office Department	21, 126, 195. 00	21, 126, 195. 00	
	TREASURY DEPARTMENT			
	OFFICE OF SECRETARY OF THE TREASURY			
210	Republic of Panama and Export-Import Bank, payment to, 1943 and 1944	2, 700, 000. 00	2, 700, 000. 00	
	PROCUREMENT DIVISION			
197	Emergency relief, liquidation, 1944	150, 000. 00	137, 500. 00	—\$12, 500. 00
231	Property Utilization Division, 1944	4, 500, 000. 00	3, 250, 000. 00	—1, 250, 000. 00
	Total, Procurement Division	4, 650, 000. 00	3, 387, 500. 00	—1, 262, 500. 00
	Total, Treasury Department	7, 350, 000. 00	6, 087, 500. 00	—1, 262, 500. 00
	Total, title I	37, 441, 805. 93	35, 186, 305. 93	—2, 255, 500. 00



Union Calendar No. 208

78TH CONGRESS
1ST SESSION

H. R. 3030

[Report No. 577]

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 1943

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, to supply defi-
- 5 ciencies in certain appropriations for the fiscal year ending
- 6 June 30, 1943, and for prior fiscal years, to provide sup-

1 plémental appropriations for the fiscal year ending June 30,
2 1944, and for other purposes:

3 TITLE I—GENERAL APPROPRIATIONS

4 LEGISLATIVE

5 HOUSE OF REPRESENTATIVES

6 For payment to the widow of Harry L. Englebright, late
7 a Representative from the State of California, \$10,000.

8 For payment to the widow of U. S. Guyer, late a Repre-
9 sentative from the State of Kansas, \$10,000.

10 The two foregoing amounts to be disbursed by the Ser-
11 geant at Arms of the House.

12 ARCHITECT OF THE CAPITOL

13 Capitol Buildings and Grounds: The unexpended bal-
14 ance on June 30, 1943, of the allocation of \$39,240 made
15 available immediately under the appropriation for the Capitol
16 Grounds, contained in the Legislative Branch Appropria-
17 tion Act, 1943, is hereby continued available for the same
18 purposes until June 30, 1944.

19 EXECUTIVE OFFICE OF THE PRESIDENT

20 NATIONAL RESOURCES PLANNING BOARD

21 For an additional amount for salaries and expenses,
22 fiscal year 1944, including the objects and under the condi-
23 tions specified under this head in the Independent Offices
24 Appropriation Act, 1944, \$29,500 to be merged with the
25 amount in such Act; and of such consolidated sum not less

1 than \$42,500 shall be allocated exclusively for the payment
 2 of accumulated and accrued annual leave of employees due
 3 them after June 30, 1943, and not more than \$37,000 shall
 4 be available for all other salaries and expenses.

5 INDEPENDENT EXECUTIVE AGENCIES

6 CIVIL SERVICE COMMISSION

7 Salaries and expenses, Civil Service Commission: For an
 8 additional amount for salaries and expenses, Civil Service
 9 Commission, fiscal year 1944, including the objects specified
 10 under this head in the Independent Offices Appropriation Act,
 11 1944, and including an additional \$5,000 for employment
 12 of expert examiners, and actual transportation expenses and
 13 not to exceed \$10 per diem in lieu of subsistence and other
 14 expenses of members of the Board of Legal Examiners serv-
 15 ing as such while away from their homes, without other
 16 compensation from the United States, \$81,600: *Provided*,
 17 That the availability of this appropriation for the fiscal
 18 year 1944 shall be contingent upon the enactment into
 19 law of the bill (H. R. 1025) entitled "An Act to amend
 20 section 1753 of the Revised Statutes to create a Board of
 21 Legal Examiners in the Civil Service Commission, and for
 22 other purposes".

23 Printing and binding, Civil Service Commission: For an
 24 additional amount for printing and binding, Civil Service
 25 Commission, fiscal year 1944, including the objects specified

1 under this head in the Independent Offices Appropriation Act,
 2 1944, \$5,000: *Provided*, That the availability of this appro-
 3 priation for the fiscal year 1944 shall be contingent upon
 4 the enactment into law of the bill (H. R. 1025) entitled
 5 "An Act to amend section 1753 of the Revised Statutes to
 6 create a Board of Legal Examiners in the Civil Service Com-
 7 mission, and for other purposes".

8 Salaries and expenses, Civil Service Commission (na-
 9 tional defense) : For an additional amount for salaries and
 10 expenses, Civil Service Commission, national defense, fiscal
 11 year 1944, including the objects specified under this head in
 12 the Independent Offices Appropriation Act, 1944, \$325,000.

13 EMPLOYEES' COMPENSATION COMMISSION

14 Employees' compensation fund: For an additional
 15 amount, fiscal year 1943, for the payment of compensation
 16 provided by the act of September 7, 1916 (5 U. S. C. 785),
 17 as amended, including the objects specified under this head
 18 in the Employees' Compensation Commission Appropriation
 19 Act, 1943, \$500,000.

20 FEDERAL WORKS AGENCY

21 Work Projects Administration liquidation: Not to ex-
 22 ceed \$1,065,000, out of balances of appropriations under sec-
 23 tion 1 (a) of the Emergency Relief Appropriation Act, fiscal
 24 year 1943, which remain unobligated on June 30, 1943, is
 25 hereby made available to the Administrator, Federal Works

1 Agency, during the fiscal year 1944 for all necessary ex-
2 penses for the liquidation of the Work Projects Administra-
3 tion, including personal services and rents in the District of
4 Columbia and elsewhere; printing and binding: operation
5 and maintenance of motor-propelled passenger-carrying vehi-
6 cles; and not less than \$583,632 of such sum shall be allo-
7 cated exclusively for payment for accumulated and current
8 accrued leave of employees separated from the Government
9 service due to the discontinuance of the Work Projects
10 Administration: *Provided*, That employees of the Work
11 Projects Administration in leave status and in active duty
12 status on June 30, 1943, may, in the discretion of the
13 Administrator, be transferred to and paid from this appro-
14 priation without the necessity of further appointment.

15 In carrying out the liquidation of the activities under
16 the Emergency Relief Appropriation Acts, fiscal years 1942
17 and 1943, accounts shall be maintained without regard to
18 the limitations established by said Acts and without regard
19 to project allocations: *Provided*, That the appropriations
20 established and extended for the completion of Federal con-
21 struction projects under the provisions of the Emergency
22 Relief Appropriation Act, fiscal year 1943, shall be liqui-
23 dated and accounted for as one fund: *Provided further*, That
24 all credits subsequent to June 30, 1943, representing repay-
25 ments or recoveries on account of funds disbursed out of

1 amounts allocated or made available pursuant to any of the
2 provisions of law referred to in this paragraph, shall be cov-
3 ered into the Treasury as miscellaneous receipts, together
4 with such balances as the Administrator may from time to
5 time determine to be no longer required to meet obligations.

6 The provisions of section 501 of the Third Supplemental
7 National Defense Appropriation Act, 1942, approved De-
8 cember 17, 1941, shall be applicable to appropriations under
9 the Emergency Relief Appropriation Act, fiscal year 1941,
10 and there shall be transferred to the "Emergency relief liq-
11 uidation fund" from appropriations under the Emergency
12 Relief Appropriation Act, fiscal year 1941, sufficient amounts
13 to meet unliquidated obligations incurred thereunder: *Pro-*
14 *vided*, That claims certified for payment by the Comptroller
15 General of the United States, chargeable to the "Emergency
16 relief liquidation fund", shall be paid without regard to proj-
17 ect allocations.

18 The Federal Works Administrator, or his designee for
19 such purpose, is authorized to consider, ascertain, adjust, de-
20 termine, and pay from the foregoing appropriation any claim
21 on account of damage to or loss of privately owned property
22 caused by the negligence of any employee of the Works Prog-
23 ress Administration or the Work Projects Administration
24 while acting within the scope of his employment. No claim
25 shall be considered hereunder which is in excess of \$500, or

1 which is not presented in writing within one year from the
2 date of accrual thereof. Acceptance by a claimant of the
3 amount allowed on account of his claim shall be deemed to
4 be in full settlement thereof, and the action upon such claim
5 so accepted by the claimant shall be conclusive.

6 Work relief in Puerto Rico and the Virgin Islands:
7 To enable the Federal Works Administrator to carry out
8 the provisions of the joint resolution (H. J. Res. 128) entitled
9 "Joint resolution to authorize an appropriation for work
10 relief in Puerto Rico and the Virgin Islands", approved
11 June —, 1943, during the period beginning July 1, 1943,
12 and ending November 30, 1943, \$7,000,000, of which not
13 to exceed \$350,000 shall be available for administrative
14 expenses, including the items of expenditure specified in
15 section 14 of the Emergency Relief Appropriation Act,
16 fiscal year 1943: *Provided*, That employees of the Work
17 Projects Administration in active duty status on June 30,
18 1943, may, in the discretion of the Federal Works Admin-
19 istrator, be transferred to and paid from this appropriation
20 without the necessity of further appointment.

21 NAVY DEPARTMENT

22 OFFICE OF THE SECRETARY

23 Claims for damages by collision with naval vessels: To
24 pay claims for damages adjusted and determined by the
25 Secretary of the Navy under the provisions of the Act

1 entitled "An Act to amend the Act authorizing the Secre-
 2 tary of the Navy to settle claims for damages to private
 3 property arising from collisions with naval vessels", approved
 4 December 28, 1922, as fully set forth in House Document
 5 Numbered 230, Seventy-eighth Congress, \$10,628.05.

6

COAST GUARD

7 Claims for damages, operation of vessels, Coast Guard:
 8 To pay claims for damages adjusted and determined by the
 9 Secretary of the Navy under the provisions of the Act entitled
 10 "An Act to provide for the adjustment and settlement of
 11 certain claims for damages resulting from the operation of
 12 vessels of the Coast Guard and the Public Health Service,
 13 in sums not exceeding \$3,000 in any one case", approved
 14 June 15, 1936, as fully set forth in House Document Num-
 15 bered 226, Seventy-eighth Congress, \$882.88.

16

POST OFFICE DEPARTMENT

17

(OUT OF THE POSTAL REVENUES)

18

FIELD SERVICE

19 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

20 Compensation to postmasters: For an additional amount
 21 for compensation to postmasters, fiscal year 1943, including
 22 the objects specified under this head in the Post Office De-
 23 partment Appropriation Act, 1943, \$1,875,000.

24 Clerks, first- and second-class post offices: For an addi-
 25 tional amount for compensation to clerks and employees at

1 first- and second-class post offices, fiscal year 1943, including
 2 the objects specified under this head in the Post Office De-
 3 partment Appropriation Act, 1943, \$11,750,000.

4 Special-delivery fees: For an additional amount for fees
 5 to special-delivery messengers, fiscal year 1943, \$1,100,000.

6 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

7 Star Route Service: For an additional amount for inland
 8 transportation by star routes (excepting service in Alaska),
 9 including temporary service to newly established post offices,
 10 fiscal year 1943, \$1,100,000.

11 Railroad transportation and mail-messenger service: For
 12 an additional amount for inland transportation by railroad
 13 routes and for mail-messenger service, fiscal year 1943, in-
 14 cluding the objects specified under this head in the Post
 15 Office Department Appropriation Act, 1943, \$4,500,000.

16 Railway postal clerks, travel allowance: For an addi-
 17 tional amount for travel allowance to railway postal clerks
 18 and substitute railway postal clerks, fiscal year 1943,
 19 \$29,000.

20 Railway Mail Service, traveling expenses: For an addi-
 21 tional amount for Railway Mail Service, traveling expenses,
 22 fiscal year 1943, \$2,500.

23 Railway Mail Service, miscellaneous expenses: For an
 24 additional amount for miscellaneous expenses, Railway Mail

1 Service, fiscal year 1943, including the objects specified
2 under this head in the Post Office Department Appropriation
3 Act, 1943, \$3,500.

4 Electric-car service: For an additional amount for elec-
5 tric-car service, fiscal year 1943, \$23,000.

6 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

7 Manufacture and distribution of stamps and stamped
8 paper: For an additional amount for the manufacture and
9 distribution of stamps and stamped paper, fiscal year 1943,
10 including the objects specified under this head in the Post
11 Office Department Appropriation Act, 1943, \$200,000.

12 Unpaid money orders more than one year old: For an
13 additional amount for payment of domestic money orders
14 more than one year old from the last day of the month of
15 issue of such orders, fiscal year 1943, \$35,000.

16 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

17 Vehicle service: For an additional amount for vehicle
18 service, fiscal year 1943, including the objects specified under
19 this head in the Post Office Department Appropriation Act,
20 1943, \$508,195.

21 TREASURY DEPARTMENT

22 OFFICE OF THE SECRETARY

23 To enable the Secretary of the Treasury, in accordance
24 with the provisions of section 3 of the joint resolution ap-

1 proved May 3, 1943 (Public Law 48), to pay to the Republic
2 of Panama an amount equivalent to the principal and interest
3 paid by that Government on account of the credit of \$2,500,-
4 000 made available to it by the Export-Import Bank for the
5 construction of Panama's share of the Chorrera-Rio Hato
6 Highway, and to pay to the Export-Import Bank an amount
7 sufficient to liquidate the remaining obligation of the Republic
8 of Panama to that bank on account of the aforesaid credit,
9 fiscal years 1943 and 1944, \$2,700,000.

10 PROCUREMENT DIVISION

11 Emergency relief, Treasury Procurement Division, ad-
12 ministrative expenses: For administrative expenses of the
13 Procurement Division, fiscal year 1944, to effect the liquida-
14 tion of the operations of said Division incident to the emer-
15 gency relief program, \$137,500.

16 Federal property utilization: For necessary expenses of
17 the Procurement Division in connection with the transporta-
18 tion, handling, warehousing, safeguarding, rehabilitating,
19 transferring to Government agencies, and otherwise disposing
20 of supplies and equipment, including personal services in the
21 District of Columbia and elsewhere, stationery (not to exceed
22 \$35,000), purchase (including exchange) of books of refer-
23 ence and periodicals, printing and binding (not to exceed
24 \$12,000), and advertising, fiscal year 1944, \$3,250,000.

1 TITLE II—JUDGMENTS AND AUTHORIZED
2 CLAIMS

3 PROPERTY DAMAGE CLAIMS

4 SEC. 201. (a) For the payment of claims for damages
5 to or losses of privately owned property adjusted and deter-
6 mined by the following respective departments and independ-
7 ent offices, under the provisions of the Act entitled "An
8 Act to provide a method for the settlement of claims arising
9 against the Government of the United States in the sums
10 not exceeding \$1,000 in any one case", approved December
11 28, 1922 (31 U. S. C. 215), as fully set forth in House
12 Document Numbered 233, Seventy-eighth Congress, as
13 follows:

14 Executive Office of the President:

Office for Emergency Management, War Relocation
Authority, \$73.51;

17 Petroleum Administration for War, \$34.10;

18 Federal Security Agency, \$294.44;

19 Federal Works Agency, \$1,972.28;

20 National Advisory Committee for Aeronautics, \$245.78;

21 Veterans' Administration, \$310.33;

22 Department of Agriculture, \$1,869.44;

23 Department of Commerce, \$517.29;

24 Department of the Interior, \$880.57;

25 Department of Justice, \$626.28;

1 Navy Department, \$9,361.14;
2 Treasury Department, \$480.97;
3 War Department, \$54,450.08;
4 In all, \$71,116.21.

5 JUDGMENTS, UNITED STATES COURTS

6 SEC. 202. (a) For the payment of the final judgments,
7 including costs of suits, which have been rendered under the
8 provisions of the Act of March 3, 1887, entitled "An Act to
9 provide for the bringing of suits against the Government of
10 the United States", as amended by section 297 of the Act
11 of March 3, 1911 (28 U. S. C. 761), and which have been
12 certified to the Seventy-eighth Congress in House Document
13 Numbered 225 under the following agencies:

14 Federal Works Agency (Work Projects Administra-
15 tion), \$2,256.91;

16 War Department, \$9,068.35;

17 In all, \$11,325.26, together with such additional sum as
18 may be necessary to pay costs and interest as specified in
19 such judgments or as provided by law.

20 (b) None of the judgments contained under this cap-
21 tion shall be paid until the right of appeal shall have expired
22 except such as have become final and conclusive against the
23 United States by failure of the parties to appeal or otherwise.

24 (c) Payment of interest wherever provided for judg-

1 ments contained in this Act shall not in any case continue
2 for more than thirty days after the date of approval of this
3 Act.

4 JUDGMENTS, UNITED STATES COURT OF CLAIMS

5 SEC. 203. (a) For payment of the judgments rendered
6 by the Court of Claims and reported to the Seventy-eighth
7 Congress in House Document Numbered 229, under the
8 following agencies, namely:

9 Federal Works Agency:

10 Public Buildings Administration, \$64,269.63;

11 Work Projects Administration, \$11,089.72;

12 National Housing Agency: Federal Public Housing Au-
13 thority, \$4,500;

14 Department of Commerce, \$1,409.04;

15 Department of the Interior (civil), \$12,780.52;

16 Department of Justice, \$369.47;

17 Navy Department, \$2,828.58;

18 Treasury Department, \$2,622.42;

19 War Department, \$132,709.28;

20 In all, \$232,578.66, together with such additional sum
21 as may be necessary to pay interest or costs as and where
22 specified in such judgments.

23 (b) For the payment of judgment numbered 45047,
24 rendered by the Court of Claims in favor of Herman E. Osann
25 covering a claim under the Exchange Relief Act of March

1 26, 1934, as certified to the Seventy-eighth Congress in
2 House Document Numbered 228, \$3,784.64, to be paid
3 from the administrative expense fund, Office of Alien Prop-
4 erty Custodian.

5 (c) None of the judgments contained under this caption
6 shall be paid until the right of appeal shall have expired,
7 except such as have become final and conclusive against the
8 United States by failure of the parties to appeal or otherwise.

9 AUDITED CLAIMS

10 SEC. 204. (a) For the payment of the following claims,
11 certified to be due by the General Accounting Office under
12 appropriations the balances of which have been carried to
13 the surplus fund under the provisions of section 5 of the
14 Act of June 20, 1874 (31 U. S. C. 713), and under appro-
15 priations heretofore treated as permanent, being for the
16 service of the fiscal year 1940 and prior years, unless other-
17 wise stated, and which have been certified to Congress under
18 section 2 of the Act of July 7, 1884 (5 U. S. C. 266), as
19 fully set forth in House Document Numbered 232, Seventy-
20 eighth Congress, there is appropriated as follows:

21 **The Judiciary:** For fees of jurors and witnesses, United
22 States courts, \$111.40.

23 For fees of commissioners, United States courts, \$256.79.

24 For miscellaneous expenses, United States courts, \$6.43.

1 For fees and expenses of conciliation commissioners,
2 United States courts, \$100.

3 **Independent Offices:** For American Battle Monuments
4 Commission, \$2.73.

5 For salaries and expenses, Railroad Retirement Board,
6 \$13.10.

7 For Securities and Exchange Commission, \$17.10.

8 For Saint Elizabeths Hospital, 78 cents.

9 For salaries and expenses, vocational rehabilitation,
10 Office of Education, \$2.

11 For National Industrial Recovery, Federal Emergency
12 Administration of Public Works, \$25.15.

13 For operating supplies for public buildings, Public Build-
14 ings Administration, 82 cents.

15 For general administrative expenses, Public Buildings
16 Branch, Procurement Division, \$2.50.

17 For general administrative expenses, Public Buildings
18 Administration, \$1.50.

19 For repair, preservation, and equipment, public build-
20 ings, Procurement Division, \$256.36.

21 For repair, preservation, and equipment, Public Build-
22 ings Administration, \$208.

23 For administrative expenses, Federal Housing Adminis-
24 tration, \$7.10.

1 For administrative expenses, United States Housing
2 Authority, Federal Public Housing Authority, \$24.87.

3 For salaries and expenses, Veterans' Administration,
4 \$1,311.71.

5 For salaries and expenses, Veterans' Bureau, \$5.20.

6 For salaries and expenses, Bureau of War Risk Insur-
7 ance, \$4.20.

8 **Department of Agriculture:** For salaries and expenses,
9 library, Department of Agriculture, \$38.37.

10 For salaries and expenses, Bureau of Animal Industry,
11 \$381.80.

12 For salaries and expenses, Soil Conservation Service,
13 \$4,038.50.

14 For salaries and expenses, Forest Service, \$2.26.

15 For salaries and expenses, Agricultural Marketing Serv-
16 ice, \$42.08.

17 For National Industrial Recovery, Resettlement Ad-
18 ministration, submarginal lands (transfer to Agriculture), \$4.

19 For development of water facilities, arid and semiarid
20 areas, Department of Agriculture, \$8.12.

21 For acquisition of lands for protection of watersheds of
22 navigable streams, \$356.

23 For control of emergency outbreaks of insect pests and
24 plant diseases, \$610.37.

1 For exportation and domestic consumption of agricul-
2 tural commodities, Department of Agriculture, \$45.49.

3 For exportation and domestic consumption of agricul-
4 tural commodities, Department of Agriculture (transfer to
5 Federal Surplus Commodities Corporation), \$732.39.

6 For retirement of cotton pool participation trust certifi-
7 cates, Department of Agriculture, \$5.31.

8 For administration of Sugar Act of 1937, Department of
9 Agriculture, \$40.75.

10 For conservation and use of agricultural land resources,
11 Department of Agriculture, \$7,063.97.

12 For farm tenancy, Department of Agriculture, \$1,348.80.

13 For submarginal land program, Farm Tenant Act, De-
14 partment of Agriculture, \$1,695.

15 For land utilization and retirement of submarginal land,
16 Department of Agriculture, \$871.60.

17 For liquidation and management of resettlement projects,
18 Department of Agriculture, \$5.20.

19 For salaries and expenses, Farm Credit Administration,
20 \$2.50.

21 For salaries and expenses, Farm Credit Administration,
22 Department of Agriculture, 75 cents.

23 For farmers' crop production and harvesting loans, Farm
24 Credit Administration, \$21.57.

1 For loans to farmers in drought- and storm-stricken areas,
2 emergency relief, \$32.26.

3 For New England hurricane damage, Forest Service,
4 \$8.82.

5 **Department of Commerce:** For establishment of air-
6 navigation facilities, Civil Aeronautics Authority, \$16,137.41.

7 For salaries and expenses, Civil Aeronautics Authority,
8 \$2,308.78.

9 For maintenance of air-navigation facilities, Civil Aero-
10 nautics Authority, \$1.

11 For salaries and expenses, Weather Bureau, \$134.64.

12 For traveling expenses, Department of Commerce,
13 \$1.35.

14 **Department of the Interior:** For Geological Survey,
15 \$1.12.

16 For investigation of domestic sources of mineral supply,
17 Bureau of Mines, \$78.70.

18 For migratory bird conservation fund, Department of the
19 Interior (receipt limitation), \$1,433.06.

20 For salaries and expenses, Bureau of Biological Survey,
21 \$2.12.

22 For National Industrial Recovery, Interior, National
23 Park Service, recreational demonstration projects, \$3.85.

24 For agriculture and stock raising among Indians, \$52.88.

- 1 For improvement of land records, Indian Service,
- 2 \$4,871.52.
- 3 For Indian boarding schools, \$116.07.
- 4 For Indian school support, \$11.46.
- 5 For purchase and transportation of Indian supplies,
- 6 \$3.01.
- 7 For conservation of health among Indians, \$81.29.
- 8 For emergency conservation fund (transfer from War to
- 9 Interior, Indians, Act June 19, 1934), \$254.07.
- 10 For Civilian Conservation Corps (transfer to Interior,
- 11 Indians), \$64.26.
- 12 **Department of Justice:** For contingent expenses, De-
- 13 partment of Justice, \$21.63.
- 14 For Federal jails and correctional institutions, main-
- 15 tenance, \$3.33.
- 16 For fees of witnesses, Department of Justice, \$83.20.
- 17 For miscellaneous expenses, United States courts (trans-
- 18 fer to Justice), \$222.03.
- 19 For general expenses, Immigration and Naturalization
- 20 Service, \$7.65.
- 21 For salaries, field service, Immigration and Naturaliza-
- 22 tion Service, \$4.16.
- 23 For salaries and expenses, Federal Bureau of Investiga-
- 24 tion, \$10.63.

1 For salaries and expenses of marshals, and so forth.
2 Department of Justice, \$35.17.

3 For traveling expenses, Department of Justice, \$1.30.

4 **Department of Labor:** For salaries and expenses, Divi-
5 sion of Labor Standards, Department of Labor, \$23.93.

6 **Navy Department:** For Naval Research Laboratory,
7 \$7,051.50.

8 For engineering, Bureau of Engineering, \$134,935.49.

9 For engineering, Navy, \$184,504.76.

10 For ordnance and ordnance stores, Navy, \$2,356.24.

11 For ordnance and ordnance stores, Bureau of Ordnance,
12 \$100.

13 For pay, subsistence, and transportation, Navy,
14 \$2,055.19.

15 For maintenance, Bureau of Supplies and Accounts,
16 \$815.33.

17 For general expenses, Lighthouse Service, \$5.67.

18 For foreign-service pay adjustment, appreciation of for-
19 eign currencies (Navy), \$16.33.

20 For payment to officers and employees of the United
21 States in foreign countries due to appreciation of foreign
22 currencies (Navy), \$23.50.

23 For Medical Department, Navy, \$2,825.

24 For pay and allowances, Coast Guard (Navy), \$16.10.

1 For rebuilding and repairing stations, and so forth, Coast
2 Guard (Navy), \$80.01.

3 For contingent expenses, Coast Guard (Navy), \$19.17.

4 For aviation, Navy, \$306,880.45.

5 For pay, Marine Corps, \$793.49.

6 For general expenses, Marine Corps, \$120.84.

7 For Naval Reserve, \$1.99.

8 **Post Office Department—Postal Service (out of the**
9 **postal revenues):** For clerks, first- and second-class post
10 offices, \$270.58.

11 For indemnities, domestic mail, \$56.13.

12 For rent, light, and fuel, \$5.

13 **Department of State:** For Lower Rio Grande flood
14 control, Department of State, \$32,302.72.

15 For office and living quarters' allowances, Foreign
16 Service, \$62.50.

17 For Second Inter-American Radio Conference, Santiago,
18 Chile, \$9.15.

19 **Treasury Department:** For payment to officers and
20 employees of the United States in foreign countries due to
21 appreciation of foreign currencies (Treasury), \$44.66.

22 For contingent expenses, Treasury Department, \$33.

23 For collecting the revenue from customs, \$159.76.

24 For collecting the internal revenue, \$268.44.

- 1 **War Department:** For increase of compensation, Mili-
2 tary Establishment, \$17.63.
- 3 For pay, and so forth, of the Army, \$171.01.
- 4 For pay of the Army, \$3,047.48.
- 5 For travel, military and civil personnel, War Depart-
6 ment, \$23.26.
- 7 For travel of the Army, \$88.22.
- 8 For subsistence of the Army, \$11.51.
- 9 For clothing and equipage, Army, \$685.12.
- 10 For replacing clothing and equipage, \$330.21.
- 11 For Army transportation, \$246.24.
- 12 For barracks and quarters, Army, \$87.75.
- 13 For Air Corps, Army, \$33.75.
- 14 For National Guard, \$291.68.
- 15 For Organized Reserves, \$59.54.
- 16 For Reserve Officers' Training Corps, \$6.98.
- 17 For working fund, War, ordnance, \$4,482.80.
- 18 For cemeterial expenses, War Department, \$1.20.
- 19 For Civilian Conservation Corps (transfer to War).
20 \$6,552.01.
- 21 For emergency conservation fund (transfer to War, Act
22 June 19, 1934), \$178.56.
- 23 For emergency conservation fund (transfer to War, Act
24 March 31, 1933), \$72.17.

1 For emergency conservation work (transfer to War, Act
2 February 9, 1937), \$221.52.

3 For emergency conservation work (transfer to War,
4 Act June 22, 1936), \$54.68.

5 For loans and relief in stricken agricultural areas (trans-
6 fer from emergency conservation work to War, Act June 19,
7 1934), \$11.47.

8 **District of Columbia:** For Home for Aged and Infirm,
9 expenses, District of Columbia, \$5.49.

10 Total, audited claims, section 204, \$738,176.55, together
11 with such additional sum due to increases in rates of exchange
12 as may be necessary to pay claims in the foreign currency
13 and interest as specified in certain of the settlements of the
14 General Accounting Office.

15 SEC. 205. For the payment of claims allowed by the
16 General Accounting Office pursuant to the Act entitled "An
17 Act for the relief of officers and soldiers of the volunteer
18 service of the United States mustered into service for the
19 War with Spain, and who were held in service in the
20 Philippine Islands after the ratification of the treaty of peace,
21 April 11, 1899", approved May 2, 1940 (Public Act Num-
22 bered 505, Seventy-sixth Congress), and which have been
23 certified to the Seventy-eighth Congress under section 2 of
24 the Act of July 7, 1884 (U. S. C., title 5, sec. 266), under

1 the War Department in House Document Numbered 227,
2 \$5,857.99.

3 TITLE III—GENERAL PROVISIONS

4 SEC. 301. No part of any appropriation contained in this
5 Act shall be used to pay the salary or wages of any person
6 who advocates, or who is a member of an organization that
7 advocates, the overthrow of the Government of the United
8 States by force or violence: *Provided*, That for the purposes
9 hereof an affidavit shall be considered prima facie evidence
10 that the person making the affidavit does not advocate, and
11 is not a member of an organization that advocates, the over-
12 throw of the Government of the United States by force or
13 violence: *Provided further*, That any person who advocates,
14 or who is a member of an organization that advocates, the
15 overthrow of the Government of the United States by force
16 or violence and accepts employment the salary or wages for
17 which are paid from any appropriation in this Act shall be
18 guilty of a felony and, upon conviction, shall be fined not more
19 than \$1,000 or imprisoned for not more than one year, or
20 both: *Provided further*, That the above penalty clause shall
21 be in addition to, and not in substitution for, any other
22 provisions of existing law.

23 SEC. 302. The appropriations and authority with respect
24 to appropriations contained herein shall be available from

1 and including July 1, 1943, for the purposes respectively
2 provided in such appropriations and authority. All obliga-
3 tions incurred during the period between June 30, 1943, and
4 the date of the enactment of this Act in anticipation of such
5 appropriations and authority are hereby ratified and con-
6 firmed if in accordance with the terms thereof.

7 SEC. 303. This Act may be cited as the "Second Defi-
8 ciency Appropriation Act, 1943".

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78TH CONGRESS
1ST SESSION

H. R. 3030

[Report No. 577]

A BILL

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

By Mr. CANNON of Missouri

JUNE 23, 1943

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued June 25, 1943, for actions of Thursday, June 24, 1943)

(For staff of the Department only)

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SENATE

1. Commodity Credit. Continued debate on S. 1106, to increase the borrowing power of CCC, continue it as a U. S. agency, etc. (pp. 6456-85). A vote is expected today on an amendment by Sen. Clark, Mo., to repeal the subsidy authority of Sec. 2(e) of the Price Control Act (p. 6479), and an amendment to the amendment, by Sen. George, Ga., to permit RFC to pay subsidies for (a) transportation and (b) production of strategic materials necessary for war production (p. 6485). A vote is then expected on an amendment by Sen. Aiken, Vt., to prohibit subsidies unless specifically authorized by Congress, permitting such payments, however, to liquidate commitments already made (p. 6469). Another amendment, by Sen. Taft (favored by the Committee) would permit RFC to pay \$500,000,000 in subsidies and would permit CCC to pay \$175,000,000. Sens. George and Johnson of Colo. submitted amendments which they intend to propose (not printed in the Record)(p. 6455). The debate centered around the Clark, Aiken, and Taft amendments. Acting Majority Leader Hill attempted to obtain agreement on a limitation of debate, but Sen. George objected (pp. 6465-66).
2. Labor-Federal Security appropriation bill. Appropriations Committee reported with amendments this bill; H. R. 2935 (S. Rept. 342)(p. 6485).
3. Urgent deficiency appropriation bill. Rejected, 17-52, the second conference report on this bill, H. R. 2714 (pp. 6486-95). The point at issue was the prohibition against salary payments for 3 employees. The report also provided for elimination of restrictions upon the use of the President's emergency fund.
- 3a. Treasury-Post Office appropriation bill. Both Houses agreed to the second con-

- ference report on this bill, H. R. 1648 (pp. 6486, 6499). (For provisions of the report see Digest 117.) This bill will now be sent to the President.
5. Fisheries. Passed without amendment S. 1242, to authorize appropriations, until July 1, 1945, or such earlier time as Congress may designate, for salaries and expenses of the Office of Fishery Coordination (Interior Department) under Food Directive 2 (p. 6495).
 6. Food production. Sen. Wilcy, Wis., spoke in favor of using the Army to relieve the farm-labor situation in the harvest (p. 6466).
 7. Personnel; retirement. Civil Service Committee reported with amendments S. 878, to increase the annuities under the Civil Service Retirement Act, for the war period (S. Rept. 341)(p. 6454).
 8. Food waste; transportation. Sen. Davis, Pa., discussing the "considerable amount of perishable food...destroyed in transit" stated, "Every ounce of food that is wasted or lost, no matter from what cause, will only serve to undermine our war effort," and inserted a Pittsburgh Press article on the spoilage of 10,000-bushel shipment of potatoes, stating that "the terrific spoilage is due to a ruling of the Interstate Commerce Commission and Office of Defense Transportation prohibiting use of ice in railroad cars to refrigerate potatoes coming in from the South" (pp. 6455-56).
 9. Taxation. Agreed, without amendment, to H. Con. Res. 30, to authorize the printing of additional copies of H. Doc. 237, "Questions and Answers on the Tax Bill" (p. 6455). The House had already agreed to it.
 10. Farm credit. Sen. Wherry, Nebr., inserted a constituent's letter regarding the competition between country banks and Government loaning agencies, stating, "I think it would be too bad if country banks were forced out of business because of Government loaning agencies" (p. 6454).
 11. Flood control. Received from the President a proposed provision to make available unobligated balances of War Department flood-control appropriations for construction of a dam and reservoir on Mosquito Creek, Ohio. To Appropriations Committee. (S. Dec. 74.) (p. 6454).

HOUSE

12. Second deficiency appropriation bill. Passed with amendments this bill, H. R. 3030 (pp. 6500-30).

Agreed to an amendment by Rep. Cannon, Mo., providing that these funds may be used to reimburse the emergency fund for the President for advances to meet obligations for which funds are provided in this bill (p. 6529).

Rejected amendments by Rep. Taber, N. Y., to strike out Puerto Rico from the work-relief item and to reduce the appropriation in that item from \$7,000,000 to \$500,000 (pp. 6520-26). The \$81,600 Board of Legal Examiners (CSC) item was stricken on a point of order by Rep. Taber (p. 6519).

Rep. Kleberg, Tex., criticized the roll-back and subsidy program (pp. 6500-03).

Rep. O'Connor, Mont., criticized the meat shortage in the civilian market while the "big packing plants of the country are filled with beef" (pp. 6503-04). Rep. Celler, N. Y., criticized the meat producers' action of holding their meat as a "strike against the consumers" (p. 6505). Rep. Fulmer, S.C., defended the farmers, stating that "they [the prices] are going down every

day" (pp. 6505-06). Rep. Crawford, Mich., criticized transfers of sugar and coffee workers to WPA projects (pp. 6516-17). Rep. Hoeven, Iowa, criticized "the mishandling of our food program," claiming, "We face an inevitable food shortage" (p. 6518). Rep. Stefan, Nebr., criticized farm meat prices, stating, "The price these feeders get...today is too low to allow them to stay in business" (pp. 8518-19).

13. Meat prices; subsidies. Rep. Ploeser, Mo., urged support of the meat-industry's proposal to eliminate "all price ceilings, with the exception of the retail level on all meat except pork, the 10-percent roll-back to be effective without subsidy at the retail level--other levels in the production of processing of meat to be free" (p. 6499).
Rep. Buffett, Nebr., criticized "the roll-back and subsidy scheme" and inserted a constituent's letter claiming livestock producers are against it (p. 6499).
Received petitions from certain Ill county farm bureaus opposing the "proposed subsidy and roll back on food prices" (p. 6535).
14. Transportation; roads. Reps. Robinson of Utah, Whittington, and Wolcott were appointed conferees on H. R. 2798, making various amendments to the Federal Highway Act (p. 6499). Senate conferees were appointed June 23.
15. Women's Army Auxiliary Corps. Received the conference report on S. 495, to place the Women's Army Auxiliary Corps in the Army of the U. S. (pp. 6497-98).
16. Vocational rehabilitation. Appointed conferees on H. R. 2536, to amend the Vocational Rehabilitation Act providing for promotion of vocational rehabilitation of persons disabled in industry or otherwise (p. 6530).
17. Taxation; minerals; forest products. Passed as reported H. R. 2888, relating to the application of the excess profits tax to production bonus payments derived from mineral or forest products (p. 6530).
18. Information. Rep. Wright, Pa., criticized the elimination of the Domestic Operations Branch item from the OWI appropriation bill (pp. 6532-34).
19. Small business. Received the 6th bimonthly Smaller War Plants Corporation report (p. 6535).
20. Flood Control Committee reported with amendment H. R. 3010, to provide for emergency flood control work made necessary by recent floods (H. Rept. 596) (p. 6535).
21. Water conservation. Irrigation and Reclamation Committee reported without amendment H. R. 3019, making various amendments to the Wheeler-Case Conservation Act (H. Rept. 597) (p. 6535).
22. Reclamation. Irrigation and Reclamation Committee reported with amendment H. R. 3018, authorizing wartime construction and operation and maintenance of reclamation projects (H. Rept. 598) (p. 6535).
23. Food administration. Agriculture Committee reported with amendment H. R. 2837, to provide for central authority for the production and distribution of the Nation's food by establishing a War Food Administration in this Department (H. Rept. 599) (p. 6535).

24. Flood damage. By Rep. Cannon, Mo., H. R. 3043, and by Sen. Clark, Mo., S. 1267 to provide relief to farmers whose property was destroyed or damaged by floods in 1943. To House and Senate Appropriations Committees. (p. 6535, 6455).
25. Selective service. By Rep. Barry, N. Y., H. R. 3042, to amend section 105(b) of the Servicemen's Dependents Allowance Act of 1942 for the purpose of increasing the Government's contribution to the family allowance of servicemen having wives and children. To Military Affairs Committee. (p. 6535).
and by Sen. Clark, Mo., S. J. Res. 67.
26. Priorities; farm machinery; flood damage. By Rep. Cannon, Mo., H. J. Res. 141, to provide priorities with respect to farm machinery and equipment to farmers in areas affected by floods in 1943. To House Agriculture Committee and Senate Military Affairs Committee. (pp. 6535, 6455).
27. A.A.A.; flood damages. By Rep. Cannon, Mo., H. J. Res. 142, and by Sen. Clark, Mo., S. J. Res. 68, authorizing the Secretary of Agriculture to suspend limitations on production in areas affected by floods in 1943. To House Agriculture Committee and Senate Agriculture and Forestry Committee. (pp. 6535, 6455).

ITEMS IN APPENDIX

28. Price control; subsidies. Extension of remarks of Rep. Smith, Wis., including constituents' telegrams opposing subsidies (p. A3454).
29. Food shortages. Sen. Kilgore, W. Va., inserted his radio address on "War Mobilization," stating, "Food shortages are the result of ills in production in distribution, in manpower utilization, and in an unbalanced economy" (pp. A3447-48).
30. Lend-lease. Rep. McCormack, Mass., inserted a Boston Post editorial giving facts and figures stating, "reverse lend-lease, that is, reciprocal aid we have received from our allies, has already run into very large amounts and will tend to increase from now on" (p. A3458).
31. Farm credit. Rep. Ploeser, Mo., inserted a Mo. Bankers' Association resolution stating, "Competition from Government lending agencies threatens the soundness of the smaller banks in rural communities" (pp. A3454-55).
32. Food production; bureaucracy. Rep. Holmes, Mass., inserted a Worcester (Mass.) editorial criticizing the "home-front bungling" of the food problem, stating, "Whether it is to be through a czar, or through subsidies, or what, it is high time that adequate attention was paid to the job of producing more food" (pp. A3459-60).
Rep. Elliott, Calif., inserted a constituent's letter stating that "some of us are not going to continue in the production of pork" because of increased grain prices, etc. (p. A3460).
33. War mobilization; migration. Extension of remarks of Rep. Bender, Ohio, including an America (Catholic) item, commending the work of the Tolson Defense-Migration Committee in regard to war mobilization (p. A3455).
34. Farm Security. Speech in the House by Rep. Dirksen, Ill., stating, "Farm Security was designed as a program to aid needy farmers...Let it, then, be administered in the spirit and intent in which it was devised" (pp. A3461-62).

further, That in the adjustment of the increases in the rates of pay provided herein credit shall be given for past continuous service and the hourly rate of compensation adjusted accordingly."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to place in the Appendix of the RECORD a letter from James E. Thorp, chairman, committee on livestock and dairies of the California Legislature.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that after disposition of business on the Speaker's desk today and at the conclusion of other special orders I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. GIBSON]?

There was no objection.

FEDERAL AID TO STATES IN THE CONSTRUCTION OF RURAL POST ROADS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2798), to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Utah [Mr. ROBINSON]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. ROBINSON of Utah, WHITTINGTON, and WOLCOTT.

EXTENSION OF REMARKS

Mr. HOLMES of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial taken from the Worcester Telegram of Sunday, June 20, 1943, entitled, "Market Basket Too Vital for a Political Football."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. HOLMES]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HEIDINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution adopted by the General Assembly of the State of Illinois.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. HEIDINGER]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD in two instances, in one to include an advertisement from the St. Louis Star Times and in the other a resolution of the Missouri Bankers' Association.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. PLOESER]?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The Speaker: Is there objection to the request of the gentleman from Missouri [Mr. PLOESER]?

There was no objection.

PROPOSED CHANGES IN MEAT SITUATION

Mr. PLOESER. Mr. Speaker, Judge Vinson has before him a proposition proposed by the various interests in the meat industry which contemplates the elimination of all price ceilings, with the exception of the retail level on all meat except pork, the 10-percent roll-back to be effective without subsidy at the retail level—other levels in the production of processing of meat to be free.

It is hopeful that this would immediately free the meat industry in such fashion as to start packing houses in full production. This suspends all of the O. P. A. rulings which have been the cause of price squeezes and black-market operations. It is considered by the industry, retail, wholesale, and slaughterer, and producers that there is sufficient margin under the retail ceiling. This becomes the responsibility of everyone in the meat industry, from the growers to retailers, to work together to prevent the danger of crowding the retail ceiling.

I think the plan is worthy of immediate trial, and much more preferable than the ill-advised and impetuous ruling of the 10-percent subsidy roll-back on meat prices which has recently been put into effect at the processors' level.

EXTENSION OF REMARKS

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska [Mr. BUFFETT]?

There was no objection.

THE ROLL-BACK AND SUBSIDY SCHEME

Mr. BUFFETT. Mr. Speaker, Members will be interested in the following wire from Harry B. Coffee, long an able member of this House. It reads as follows:

Have yet to find first livestock producer favorable to price roll-back subsidy program. Hope Congress prohibits this misuse of pub-

lic funds and authorizes Office of Price Administration to adjust meat prices upward to cover cost of production. Otherwise production will be curtailed and more meat diverted through black-market channels.

UNION STOCKYARDS Co.,
HARRY B. COFFEE, President.

The roll-back and subsidy scheme is just the same vicious rebate racket used in the 90's by Standard Oil and many great railroads to destroy their competitors. As Mr. Coffee points out, the farmers of America have seen through this rebate trick, which would eventually destroy free enterprise. The rural uprising against subsidies will not be ignored by thoughtful officials. Hunger cannot find nourishment in Executive orders.

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS

Mr. LUDLOW. Mr. Speaker, I call up the conference report on the bill (H. R. 1648) making appropriations for the Treasury and Post Office Departments, for the fiscal year ending June 30, 1944, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of June 23, 1943.)

Mr. LUDLOW. Mr. Speaker, this is a unanimous report of all members of the committee.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some correspondence between the Navy Department and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that on tomorrow at the conclusion of the regular business on the Speaker's desk and after other special orders heretofore entered, I may be allowed to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein

an editorial from the Gary Post-Tribune, Gary, Ind.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

STUDY OF ORGANIZATIONS AND PROBLEMS IN THE FIELD OF VITAL RECORDS—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 242)

The SPEAKER laid before the House the following communication from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed with illustrations:

JUNE 24, 1943.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: In a letter dated July 27, 1942, I indicated that I would ask the Director of the Bureau of the Budget to make a comprehensive study of organizations and problems in the field of vital records. The Director has reported to me on this subject and I am transmitting his report to you herewith. I am transmitting another copy of the report to the President of the Senate. In view of the relevance of this report to the subject matter of various bills which are now before the Congress, I would suggest that the report and appendixes I-VIII might appropriately be printed as a public document.

Respectfully,

FRANKLIN D. ROOSEVELT.

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes; and pending that motion, I wonder if the gentleman from New York and I cannot agree on an hour of general debate.

Mr. TABER. I have requests for 95 minutes at this time, and I do not see how I can pare them down too much. I think we ought to have 3 hours of general debate.

Mr. CANNON of Missouri. Then, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 3 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3030, with Mr. FACE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Texas.

Mr. KLEBERG. Mr. Chairman, I desire to state at the beginning of this statement, but not as a part of it, a few things which you should know concerning my viewpoint and attitude insofar as they affect my utterances today.

I take the floor before you, I assure you, without feeling any animosity toward a single fellow citizen of our country. I have no ax to grind and the only special interest which I attempt to serve to the limit of my meager capacity is the best interest of my countrymen and our allies in the prosecution of this war which today engulfs us, and at the same time looking toward the future with the same interest in mind.

In this inimitable period of stress I do not find it in me to be actuated by any partisan motive whatsoever.

Members of each and every political party are to be found in the armed services on the many fronts where Americans are to be found defending our national right to live the American way.

It is my unwavering and deep conviction, based upon much study and devoted consideration, that paramount in our efforts in these tragic days is the preservation of the public confidence in its entirety of the people of these United States. This public confidence if strong and secure is the mightiest agent in the support of the war effort of our country. Yes, and the war effort of our allies.

Confusion is the enemy of both confidence and attainment; it should be abated as thoroughly and promptly as possible. Uncertainty as to what to do today and as to what we may expect tomorrow breeds confusion.

Vacillation is the inevitable result of the impact of these agencies of the devil, and cohorts and aides of our enemies.

Fear is another of these, and greed still another. And when this array aided and abetted by intolerant and untamed thought, reaction and speech combine, they but add to the formidable array which opposes a successful or approximate conclusion of this world's troubles.

These are days, fellow members, and I speak to you with all the earnestness and emphasis which I can muster, when a prudent jealousy concerning our future and our rights as free men should be ever exercised; and so, without hate or other vicious inclination toward any person or group living or dead among those who defend man's right to be free and enjoy the rewards of justifiable labor, I bring to your consideration some facts and thoughts upon which, in my earnest opinion, much depends as to our successes today and in the tomorrows to come.

We have now before the Congress some vital legislative matters concerning which I desire to address myself in the exercise of the most emphatic expression of which I am capable.

Mr. Chairman, I am not a pessimist nor am I chargeable with being willing at any time to sell the United States short.

The history of our country is replete with victories over gloom and despair in troubled times and we will emerge again as from those dark days in the past with that incomparable flag which is your and our background, still unwavering over a free people in the greatest and most blessed land of all.

I desire for the moment to discuss some problems we have before us to legalize the program of so-called roll-back and subsidies and some related matters. If this program recently put into effect under a directive by our Chief Executive is carried on through, it is my opinion that it will be the result of extra-legal action on the part of the Office of Price Administration. In my interpretation of the Price Control Act, may I state at the outset the law clearly provides that any proposals affecting prices on agricultural commodities considered as food must first be submitted to the Department of Agriculture as the law reads and today to the National Food Administration which by directive has taken over that task which at the beginning of the price control was administered by the Secretary of Agriculture. I am reliably informed that the National Food Administrator was not advised of the roll-back subsidy proposal until after the Office of Price Administration had already put the program into effect by proclamation. If this is true there is no question but that this action was extra-legal and in complete disregard of the law of the land as enacted by the Congress.

Mr. Chairman, I should like to call your attention to some things that are going on which, if we do not do something about them, will not only lead to bad results but add to the confusion and bring to naught possibly our major fight on the home front, which has to do with the production of food. I want to give you some examples.

Not so long ago, the senior Senator from Texas, Senator CONNALLY, and I called on Price Administrator Brown about some matters involving the poultry industry. In my district are five or six counties which comprise the third largest poultry center in the United States producing broilers and fryers. The price fixed for those broilers was 25.67

cents per pound. The actual cost involved in the production of over 24,000,000 pounds of edible broiler meat, chicken meat, figuring a broiler at 2 pounds to the chicken, ranges from 31.5 cents to 40 cents a pound, established by affidavits and checked over by auditors at my request looking into the business of several of the poultrymen affected.

We went from the Office of Price Administration to the War Food Administration to inquire concerning the fixation of this price level and the vicious differentials which accompanied it; nothing came of this. Despite the fact that the poultry produced in this center was entirely consumed within the State of Texas by Government camps engaged in the war effort and by industries engaged in the war effort, as well as civilians, one of the producers handling over 125,000 chicks a year went out of business. He went to work at a shipyard started in at \$12 a day. Some in high places think that he did a good job because he could make more money at that than he could if he had stayed in the poultry business.

This producer, who the year before produced 125,000 chicks and 250,000 pounds of edible meat, is now boarded up and out of business. What happened to him happened not to one or two more but to a high percentage of the men engaged in the professional business of raising baby chicks.

Now let us look at some other facts. There is no factual evidence showing that in the last World War or in the present World War the price of livestock, if left uncontrolled, would rise sufficiently to become a dangerous or inflationary force. At the present time this fact is best illustrated by the price of hogs, which has remained at between 14 and 16 cents most of the time, whereas in the last war the price of hogs reached 24 cents.

The only evidence of an extremely high price of livestock is to be found in the black market. The black market is patently the outgrowth of Government regulation, inaugurated in November 1942, at which time all killers not under B. A. I. inspection were placed on a quota of 70 percent of their 1941 kill.

At about the same time that this quota system was inaugurated the wholesale price ceiling was put into effect. This was under regulation 169. Before this was placed in effect there had been no visible evidence whatsoever of an over-the-counter shortage in beef. The housewives in every community in this land could go into a butcher shop or a grocery store and fill their needs.

The drafting of men into the armed services patently does not add to the population of the United States, certainly not with a war going forward.

If you will review the facts contained in a brief inventory of the actual livestock situation in this country, you will be interested in noting that at the time of the 1929 crash there were approximately 68,000,000 head of cattle in this country.

This was a healthy cattle population up to that time. While this cattle population was heavy, the increase of human population in the country made

this cattle population fairly low when analyzed on a per capita basis, but everyone knows that it was sufficient to meet all and over the then civilian needs. We had no wartime needs then. In 1934 this cattle population had jumped to something in excess of 74,000,000 head, and on the floor of this House in a debate with a beloved friend of ours who happened at that time to be the leader on the Republican side of the aisle, the Honorable Bertrand Snell. I handled the passage of a \$200,000,000 appropriation bill, devoted to bringing the demand and the supply insofar as cattle were concerned, into a workable balance.

Under that appropriation which was passed in this House without objection, 8,000,000 cattle were slaughtered. Those of you gentlemen who were here at that time will recall this. The Department of Agriculture in recent estimates, estimates that up to January 1, 1944, the population of cattle in this country will have reached 82,500,000 head, and that estimate is low, and I am going to tell you why. A brief analysis of what we had on hand in 1941, and what we had on hand in 1942 will show that in those 12 months the cattle population of this Nation increased in excess of 3,000,000 head, and it is my honest conviction that today, there are 82,000,000 head and upward in the feed lots and on the ranges and on the farms of these United States.

Let us look at the facts, and I have some of them here for you. All of this is in the name of avoiding inflation. In 1941 the national income based on figures from authentic sources of information stood at \$95,600,000,000, in round numbers. That is the 1941 national income. The 1942 national income was \$119,800,000,000. In 1943, up to date, based on present conditions, the national income is estimated to be in excess of \$138,000,000,000, and if prices continue on the present scale, and wages go on as they are, the estimate shows that that will be in excess of \$140,000,000,000. All right. People in these civilized days do not attempt to eat livestock, but they buy raw meat, and cook it.

Reducing the killing of cattle down to 70 percent level of the 1941 kill, when the income nationally stood at \$95,600,000,000 and expecting 70 percent of that kill to satisfy not only the civilian demands, upon which their kill was based, and which that kill supplied in 1941, because not until the tragic date December 7, did this Nation go to war—in the minds of reasonable men, how could we fail to have a beef shortage with an income approaching a peak of \$140,000,000,000 this year, and expecting the purchasing power of that surplus income to be satisfied with 70 percent of what we consumed under peacetime conditions in 1941, added to the 35 percent reduction of supplies once going to civilians taken over by the Army and lend-lease? Then, today, that 35 percent has been increased to 45 percent, and if it continues, what happens? The 35 percent I refer to is 35 percent of the total kill in the United States taken by the Armed Services and lend-lease.

In servicing the needs of the war and the lend-lease program, every pound of

beef purchased by those two agencies was purchased from killers—and the word "killers" means butchers and packers and slaughterers of all kinds—lend-lease and Army needs were satisfied solely through purchases from killers that were under the Bureau of Animal Industry inspection, that is, Federal inspection of beef. These killers, under B. A. I. inspection, were the major packers. And those demands took every bit of the beef killed in those killers' plants, and those killers no longer serviced the civilian needs, and that left the local independent killer confronted with the problem, that while he at his best had never killed over 35 percent of the kill of the Nation, was now required on 70 percent of the 1941 kill, to meet the civilian needs of a population which in the past 20 years has risen 25 percent. And during which time in the entire food picture there has not been a single year when the United States market supplied its own food needs. We have been on a constantly increasing import basis of food during these 20 years.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. I ask the gentleman to please let me go on and present the picture to you, and bring a recommendation, because it has been said that no recommendations have come from the United States Congress, and I propose to give you one, which is not based on the development of untested ideologies which come from the school of economics of Harvard or Princeton or Columbia, or any one of the major schools of economics, but which comes from a long-time effort applied to the production of livestock and food commodities in this country. I was not a synthetic farmer or a synthetic ranchman when I came to this Congress. Believe it or not, there is not a single job performed on a ranch which produced everything in the way of livestock that was produced in that area which produced everything agricultural that was produced in that area from citrus fruit on down through cotton and all kinds of grain that I did not know how to do myself. I have harvested crops. I have slaughtered cattle myself. I have gone with them to the slaughter pen as a shipper, and I have done every single thing done with cattle from the pasture to the slaughterhouse. So I learned it at least in the school of experience.

What I am proposing here is to remember the figures I have just given you and take into consideration some facts that come after those figures. They say this roll-back and subsidy proposal is for the purpose of curbing inflation. Let us see.

We will take \$140,000,000,000 for the purpose of making it easily understood, as the national income of 1943. Of that amount in Federal taxes under the 1941 figure of income and taxes there was paid in \$9,600,000,000 in taxes. In 1942 \$17,400,000,000. In 1943 it is expected to pick up by way of taxes \$24,552,000,000—let us say \$25,000,000,000. Take that from \$140,000,000,000 and what does it leave? One hundred and fifteen billion

dollars. In purchasable consumer goods the best estimates from every statistical department we have in this country indicate that the supply represented in cash is from \$80,000,000,000 to \$83,000,000,000. Let us take the higher figure, because it makes the picture easier. Say \$85,000,000,000 worth of consumer goods available. Subtract \$85,000,000,000 from \$115,000,000,000 and what do you have left? Then after going through that let us realize that savings to meet margins and protective devices indulged in by American industry, agriculture, and otherwise, to meet the ravages of depreciation, replacement of equipment, increasing fluctuating prices, and costs of maintaining an operation such as that which occurs on a great cattle ranch or on a small cattle farm. Say you take off that amount 20 percent; down to 16 percent of what is left.

The very best figures available out of this jumble, figured out carefully, would indicate that at the maximum, without reference to money taken out of circulation for bond sales, and so forth, there remains as a dangerous sword of Damocles to create inflation the utterly insignificant sum of between 15 and 16 billion dollars. With costs going as they are and expenses mounting, how ridiculous it seems to me to continue a program of shortage in the midst of actual plenty as applied, for instance, to the cattle industry, which I am using as an illustration. You Members know the canning picture. I have given you a brief description of what happened on poultry, where, by ill-advised regulation, vacillation, and failure to attempt a solution the American way, but on the other hand attempting to follow out and prove some formula which came from what might be termed higher education, the people have been put out of business as far as poultry is concerned, small packers and butchers closed up and canneries going out of business everywhere. I think education that is too high is education that does not permit those who indulge in its practice to get down to Mother Earth long enough to have it said truthfully of them that they have at least had their feet on the ground. There are in actual round numbers approximately fifteen and one-half million head of surplus cattle on the ranges and farms of this Nation. Indulging for a moment the vivid and accurate recollection of what was done under this same administration in 1934 to bring the law of supply and demand into action—that can be done by a wise government and a wise people and a beneficent Providence. Without the latter of course the other two cannot deliver the goods. But suppose you remember the \$200,000,000 that was spent and the slaughtering of 800,000 cattle, principally culls to improve the herds of the Nation and bring supply and demand into balance.

Suppose you do pay the salaries of a few extra meat inspectors to give B. A. I. inspection a wider spread over the kill and suppose you throw away the ridiculous figure of 70 percent of the 1941 kill, in cowboy parlance I would want to know where in, and I would not use the word "Jehoshaphat", that theory came from, when we need beef. I doubt if there is

a single man anywhere connected with this plan who ever thought of the ridiculous and tragic position presented by a great country, shouldered with responsibility the equal of which has never been fixed on a people, when food, the sustaining element upon which our success will finally depend, is pulled down to the level where both the Army and the civilian services find themselves confronted with a synthetic shortage, created by ill-advised regulation. It was not in the law, but yet here it is. We will have an actual surplus by January 1, 1944, if this keeps up, of from 15,000,000 to 16,000,000 head. This surplus will grow and destroy the cattle industry if it still exists when peace comes. If half of this surplus were slaughtered it would supply normal beef requirements for one year to 200,000,000 persons including the population of the United States and 74,000,000, others. Think of that. You could thus reduce by one-half the surplus on the ranges and feed lots at a time when we are short of feed and when we are losing extra poundage because we are shipping warmed up cattle, if you please, from the feed lots and are not allowing the cattle to have their full complement of gain and full conversion of the corn and grain of this Nation into its utmost realization of cash value and beef.

Now, let me make my recommendation. I want to boil it down to just a few flat statements. If the price is fixed at the point of retail, in reason—not based on any 70 percent of the 1941 kill, which has no possible relationship to what we deal with today—if the price is fixed there and efforts are made to stimulate the slaughter of 6,000,000 head of cattle extra, to take up the gaping holes in refrigerators and boxes of all kinds over this land, you will immediately, because of the supply meeting the demand of the surplus cash, insofar as the prices of livestock are concerned, including hogs, solve your problem. That is the only control that is necessary to hold your price level at a point where it affects the consumer at a legitimate price. The principle of balancing income and expendable money and consumer supplies is the only time-tested cure for inflation of the kind that threatens our country. Also we must rescind that silly quota provision which permits those who slaughter to kill only 70 percent of their 1941 kill.

We should analyze the needs of the armed services to a reasonably fixed figure. Ration civilians to a quantity commensurate with their needs and lend-lease would take the rest. This plan while only outlined will meet the exigencies of our present situation fairly and sanely.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KLEBERG. May I have 5 additional minutes?

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. KLEBERG. There is one thing I want to say in the 5 minutes, if I may do so, and that is to conclude with some thoughts that I think have occa-

sioned some of the errors that we have committed.

I was interested to check up on the fact with reference to our great ally, England. We have had advanced here before us, and certainly before members of the House Committee on Agriculture to which I belong, some statements concerning the amazing success of Britain in closing the inflationary gap. Let me call attention to the food situation. In England today those who have the credentials can get 23 cents worth of meat per week. These are the figures, so far as the civilian population is concerned. Only 7 percent of the people in Britain are producers, farmers.

Of course, Britain, as an industrial nation, with its population divided up in that manner, with its heavy industrial activities, wants to hold its food prices to a minimum. She only produces 60 percent of her food. She has neither the land resources nor the farm labor to do much more than this. Ninety-three percent of the population, therefore, certainly could well afford to subsidize the 7 percent. But when you take one-fourth of a country's population, as we have it, you have an entirely different picture.

Forty percent of the entire food supply of England in the last 2 years has been mostly imported from the United States of America. One and a half billion dollars worth of food were supplied under lend-lease, which food Britain sold to her people and paid a subsidy of \$730,000,000. She could well afford to spend a little money, half, or about half of the cash represented by the lend-lease food supplies in the payment of subsidies over there to meet the inflationary gap.

What is the situation with reference to consumer goods in Britain? Under lend-lease operations and the situation there from the standpoint of studies which have been made of things which may cause inflation, and the facts as they exist in Britain and what she has used to close the inflationary gap, and some of the conclusions we have reached are these: She does not have to impose a tax on her people to pay subsidies. But today with the earning power of American taxpayers, taxed as they are to the highest degree in the history of this country, with their earning power restricted, with the original source of wealth being decimated by restrictions, how in God's name should they put the restrictions on, which have been put on, in this effort to meet the problem?

I ask you, as sensible men and women, I plead with you to consider this whole problem of simple arithmetic, natural laws, and untested theory which is presented by this silly expression of fear of inflation, on the one hand, and the utterly inconsistent remedy offered until it has increased the inflationary problem to a degree never before realized in our Nation.

As was illustrated in the case of the Ohio wheat farmer whose case was brought finally before the Supreme Court on a question of some payments of overproduction fines. He argued that the law had been passed after he had planted his wheat crop. Therefore his property was being taken without due

process of law. The Supreme Court held that it is hardly lack of due process for the Government to regulate that which it subsidizes.

Mr. Chairman, I leave the rest with you. That is an illustration and gives you a picture, one which I am more fearful of than anything else.

Finally let me sum up the situation.

We are told we are in grave danger of inflation. This because of great surplus or excess income over available consumer goods.

Using the plan our Government now has in effect including subsidy and roll-back on beef prices—what do we have?

Approximately a \$140,000,000,000 income and approximately \$85,000,000,000 worth of consumer goods.

What do we do about it and what are the facts? We reduce the available supply of consumer goods, in the case of beef, to 70 percent—in the case of civilian needs—of the average supply used in 1914. In this year our income was \$95,600,000,000. Why? On what theory?

In 1941 we paid \$9,600,000,000 in taxes. In 1943 we will pay \$24,552,000,000. After taxes, \$85,000,000,000 in purchases, and marginal savings we have a sum of about \$16,000,000,000 left without considering what we will spend for bonds.

In the midst of plenty we force a shortage when we should increase consumer goods.

We now propose to continue to roll-back prices and provide funds to subsidize some few losers while we permit the rights of freemen in property and free enterprise to be endangered in the future by both famine and Government control and regulation of their property and business.

All of this with no improvement in sight of the food supply situation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, first I want to make an observation inspired by the address given by the distinguished gentleman from Texas [Mr. KLEBERG]. We of the West know that we have the highest population of cattle in the history of this country. I have been informed that the big packing plants of the country are filled with beef, yet we have this anomalous situation, notwithstanding that condition, we are unable, even when we have the necessary points for meat, to get meat in our retail stores right here in the city of Washington and that is true to a great extent throughout the country.

The question is, what is wrong? We have the beef; we have the transportation facilities, not only by rail but by trucks, but we cannot get beef because the retail stores cannot get it.

Yesterday morning I had the experience of applying to three different retail stores here in Washington just to find out if that fact prevailed, and it does prevail. Notwithstanding that we have more beef than the civilian population can use, more than needed to supply the Army requirements and to meet the lend-lease requirements. What is wrong? I have been informed that packers ship direct to the large restaurants throughout the country and sell their beef directly to these restaurants who in turn are not controlled at all in prices and can mark up any price they see fit on their menus for their cuts of beef.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I would like to ask the gentleman from Montana a question as to this kill of this 70 percent. Is that for domestic consumption 30 percent, or whatever percentage is needed for the Army, or is it a kill of only 70 percent? I understood the gentleman from Texas to imply that they could kill only 70 percent. Would the gentleman from Montana explain that?

Mr. O'CONNOR. I cannot explain that because I am not familiar with the figures given by the gentleman from Texas, 'ut from the over-all picture the cut, if there is one, is not understandable with the country full of beef cattle.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. TABER. When they limit the amount of cattle that can be slaughtered to 70 percent of last year and a great lot of that goes to the Army; is not that the answer?

Mr. O'CONNOR. Not necessarily; but if they do limit the kill to 70 percent it is nonsensical.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. ELLIOTT. Does the gentleman know whether it is merely 70 percent of last year, or is it not 30 percent reserved for the Army and lend-lease and 70 percent to the civilian population?

Mr. O'CONNOR. If the figures furnished by the gentleman from Texas are correct, that there is a limitation of 70 percent of the kill of last year that would not account for present conditions, because there was a big surplus left after the kill of 1942.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CURTIS. I think the gentleman will find that some of the small packers are not even on a 70-percent arrangement. The Lincoln Packing Co., at Lincoln, Nebr., is operating on only 23 percent of its 1942 basis, and out of this it is 50-50, the Government gets one animal for every animal that goes to the civilian trade.

Mr. O'CONNOR. I have heard this—I do not know whether it is true or not; I hope it is not—I have heard that the big packers have devised some sort of squeeze play to put the little packer out

of business. The price-control program is putting the little man out of business generally throughout the country, and now it seems the same thing is about to happen to the little packers. It is happening to our retail stores. Small retail meat stores in the West and throughout the country are gradually closing up because they cannot get the beef to sell to the people, although there is a tremendous surplus of it in the United States today.

Mr. Chairman, I wish now to talk about a matter that applies principally to Montana.

Mr. Chairman, taken all in all, I think that one of the most ill advised and prohibitively costly proposals to come out of Washington in many a moon was the one that was recently attempted in western Montana in connection with a Federal proposal to obtain additional water in Montana for hydroelectric development in another State. For sheer breath taking audacity I do not think the proposal can be equaled. It is inconceivable to me that such an utterly destructive and wanton disregard of property, scenic beauty, and States' rights should be conceived of at any time much less in the middle of a very serious war when every bit of foodstuff raised and energy exerted toward the furtherance of the war effort is of paramount importance.

In fact I do not think such a bold attempt to strip Montana of one of its greatest natural resources would ever have been made if those responsible for this proposed deal had not thought that in the hurry and confusion of war their plan would be a fait accompli before anyone could protest. But in that assumption they erred.

Be it said to the everlasting credit of Montana and Montanans that once again that old vigilante spirit, which manifested itself about three-quarters of a century ago to assure the first settlers of that day their right to a peaceful and law-abiding existence, that that spirit still prevails. The perpetrators of this folly overlooked the fact that these people who would be ousted from their homes and farms, were such a proposal followed out, are the sons and daughters of those hardy pioneers who went into that section of Montana when it was nothing but a timbered wilderness filled with then hostile Indians and lawless bandits, there to carve out and develop homes for themselves and their posterity. Those pioneers had to face and overcome tremendous adverse odds and it took a great courage and determination to build for the future, to uproot the trees and bushes, to till the soil, and to build homes for their loved ones and those who would come after them. That those noble men and women who spent a life of hardship and toil in order to leave a better place for their loved ones to live in, that they and the sacrifices they made have not been forgotten was attested to admirably in the spontaneous and determined way in which their descendants, and others, who realize and appreciate the beauty, grandeur, and productiveness of this valley that would be destroyed, have rallied

to the call to defend that valley as they know it today.

Specifically, I have been referring to the recent attempt made on the part of Federal authorities to raise the level of Flathead Lake 17 feet with all its ensuing and devastating consequences.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MANSFIELD of Montana. It might be well to point out that this attempt on the part of the Federal authorities was not only to raise the level of the lake 17 feet by 1945 but eventually to 37 feet. This would result in the inundating of several of our large towns, the loss of 50,000 acres of good agricultural land, the decline of a large lumber industry, and a destruction that would be of no benefit whatsoever to the State of Montana. Furthermore, this proposal, if allowed to go through, would affect 25,000 people directly and 50,000 people—one-tenth of the population of my State—indirectly. The most beautiful scenic area in the United States would be desecrated as a result. It might be well to add further that there was no one in the State of Montana in favor of this proposal and that as far as the Montana congressional delegation in both the House and the Senate are concerned we are 100 percent with the people of the State in this respect. This solidarity on our part is an indication of how strongly we in Montana feel about this proposed infringement of our rights.

Mr. O'CONNOR. I thank the gentleman because everything he has said is true.

Apparently it was of little consequence to those responsible for that idea that hundreds and hundreds of homes would be destroyed; that the beautiful city of Kalispell would be isolated if not inundated; that some 50,000 acres of the most fertile farm land in America would be inundated; that lumber mills and millions of feet of valuable timber would be forever and irreplaceably lost; that the scenic wonderfulness of Flathead Lake, a great national asset and beauty spot, would be seriously marred; and that the cost to the State of Montana in property loss, resources lost, highway replacement costs, plus the cost of litigation involved would be tremendous and staggering to the imagination. And all for what purpose? As I have said, and now say again, simply to take from the State of Montana one of its greatest natural assets for the benefit of another State.

Nor should the fact be overlooked that the Flathead Indians would also stand to suffer greatly by such a transaction, and I think all will agree that the Indian has been treated shabbily enough in the past without this further thrusting of the Indian down the economic scale. What is known as the Kerr Dam was constructed on the Flathead Indian Reservation. The Montana Power Co. pays a royalty to the Indians of \$175,000 per annum for the use of the Indian property. Should the Government take this dam the Indians would be deprived of this royalty unless compensation was secured from the Congress of the United States, and in view of past experience in

getting appropriations for Indians I would say that it would be a man's job to secure this compensation.

Every excuse was put forth in justification of this proposal except the real reason back of the desire to get the use of this Montana water. The people of Montana were told that the use of this extra water diverted into Grand Coulee and Bonneville dams would save tons and tons of structural steel. No mention, however, was made on their part as to the resulting loss of 25,000 tons of vitally needed foodstuff produced annually in this section. Nor has any mention been made of the fact that thousands of dollars' worth of property damage would be sustained by Kalispell people who, because of the wording of the law, undoubtedly would be in a position where their property was worthless, as a consequence of the raising of the lake level, but at the same time find themselves unable to collect any damages because their property was not taken or actually damaged. Nor do I think we should overlook the fact that no less than 70,000,000 board feet of lumber is produced annually in this section, which production gives employment to about 750 persons and that pay rolls, and so forth, totaled almost \$3,000,000 in 1942.

It looks very much to me like the real and only reason for this attempted rape of one of Montana's resources is that Bonneville and Coulee now find that they need more water to operate on. However, I cannot see where Montana should be forced to be the means of supplying most of the Pacific Northwest with power. That problem should have been taken into consideration when these dams were being constructed. The people of the northwest section cannot understand why the Bonneville Power Administration and the Army engineers, instead of endeavoring to make a storage reservoir out of Flathead Lake, did not look to Fort Peck. A world of power could be developed at Fort Peck if power generators were secured for the latter place. The development of additional power at Fort Peck could be had at very little cost. We of Montana cannot understand why, if additional power is needed in the Northwest, Fort Peck is being overlooked.

The attempt to raise Flathead Lake is clearly an attempted violation of the sovereignty of the great State of Montana and we are all proud of the manner in which our Montana people resisted such an unheard of effort to invade and destroy the rights and property of the people of Montana.

(Mr. O'CONNOR asked and was given permission to revise and extend his own remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I rise for the purpose of expressing my satisfaction at the reporting of the Fulbright resolution. In the campaigns which led to my election to this body, I uniformly stressed the point that the aim of this country was the recovery of national security, which we had had for a short time

following the year 1918, and had negligently lost for lack of any active or precise foreign policy—indeed of any foreign policy at all—in the succeeding years. I did everything possible to emphasize to the electorate my conviction that the attainment of national security meant, first, the defeat of the Axis Powers and, second, the perfection of international arrangements which would insure the continuance of our national security. This country would be secure if there were a just and lasting peace. It would not be secure if there were an unjust or ephemeral peace; any unjust peace would probably prove ephemeral, and any war of any consequence would certainly involve the United States.

I acclaim the Fulbright resolution as a succinct statement of a policy indispensable for the integrity of American institutions and the safety of our children, not merely from the steadily increasing horrors of total war, but from something worse—the overthrow of this Republic by enemy powers which, without suitable preparations, both in policy and armament, we cannot resist.

For generations there have been people in this country who believed that a foreign policy was a sort of immoral lace frill on the sober flannel petticoat of domestic virtue. This is a tempting view but not a sound one. Last Monday we appropriated over \$75,000,000—more than half our national income—because we threw away our alliance with the European democracies in 1919 and created nothing in its place—not an army, not an air force, not a fleet. Indeed we even scrapped the ships that might have saved the Philippines, just as in complete thoughtlessness we suffered Japan to take possession of the island bases which made the Philippines indefensible.

In acclaiming the Fulbright resolution, let me emphasize the things which, in my opinion, it does not mean:

It does not mean an international W. P. A. or an international N. Y. A. On the contrary it looks to the abolition of future O. P. A.s. It does not mean a conspiracy of the starry-eyed who yearn with Wallace to elevate the wages of the tin miners of Bolivia and the living standards of banana growers of Nicaragua. Still less is it a scheme to override our immigration and naturalization laws with new and hazardous forms of world citizenship. It is not a project to subordinate the interests of the United States to any nation or group of nations. On the contrary it is merely a commitment to study with other friendly interests the most appropriate and safest insurance policies against the recurrence of the disasters which now have our sons dying on more battle fronts than can readily be counted.

There is no cause to fear that the passage of this resolution can diminish the part which our soldiers of today can take in the conduct of our affairs tomorrow. They must be given a voice on the best ways of securing the American sovereignty and freedom for which they have already fought. But I do think that we of our generation should tell them out of our experience that America's security

does not consist in ignoring the dangers that beset it.

And let me say that I think no harm can result from considering this very human question in this body which is never more than 2 years from the heart of the people, instead of leaving it as a mystery so deep that only more august minds can hope to comprehend it. In fact I make bold to say that we should be better off if all international arrangements could be left to a simple majority of both Houses instead of being controlled as at present by a minority in one.

I hope the Fulbright resolution will be adopted in this House by a sweeping vote. It springs from a real instinct for national prudence and not from what Edmund Burke called the false and reptile prudence which seeks to avoid national hazards by disregarding their existence.

(Mr. HALE asked and was given permission to revise and extend his own remarks.)

Mr. CANNON of Missouri. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, we listened with a great deal of interest to the remarks of the gentleman from Texas [Mr. KLEBERG] concerning the vast supply of cattle in this country. The New York Times of yesterday morning called attention to the vast cattle surplus that is piling up as the meat famine, particularly in New York City, increases. The subheading reads:

If half the excess were slaughtered it would supply 200,000,000 persons with beef for 1 year the rangemen say.

What is happening to all this beef? We cannot get it here in the eastern industrial area. The consumers in my district and the industrial cities are hungering for beef; we are starving in the midst of plenty.

The gentleman from Texas says that all he wants by way of solution of the problem is to put a ceiling price upon retail beef and leave beef prices in the hands of the packers and the cattle growers uncontrolled. He wants the law of supply and demand to operate. The experience of every belligerent country is to the effect that you cannot control inflation and cannot prevent the spiral of inflation unless you control all along the line wages, rents, prices of commodities, prices of services, and prices of everything that go into the usual standard of living. No halfway measure can succeed. The law of supply and demand is out the window.

If you, for example, control only the retailer, then the packers under no control could raise their prices at will to the retailer and the retailer could not do any business because he has a ceiling beyond which he cannot go. He could be the subject of a squeeze of the packer. The cattle grower could likewise charge anything he wished to the packer or he could hold back the carcasses of beef at will, as he is doing now. The packer, in turn, would be at the mercy of the rancher.

This same article in the New York Times, which is in part an explanation of what is happening to this vast quantity of beef, states as follows:

The spokesman for the Ranchmen's Association emphasized what he thought was the black market and said he thought "black market" was a misnomer for the thousands of small slaughterers and customers who are determined not to be deprived of beef artificially by Office of Price Administration regulations.

Throughout the West an increasing number of individuals are buying and storing in freezers whole carcasses of beef, and these people are not comparable with the members of the old prohibition bootleg trade. They are patriotic, but they are determined that they shall not go hungry.

I take exception to that statement and I am inclined to the belief that since they are indulging in a bootleg market contrary to the law of the land and the regulations promulgated thereunder, they are not patriotic. When they do not live up to these regulations they should be punished. This hoarding of vast quantities of beef to get higher prices for reasons best known to their own selfish interests, which interests are contrary to the interests of the consumers throughout the length and breadth of the land, is something to be deprecated and I emphasize the thought that these ranchmen who are holding back all this cattle are doing the country a grievous wrong.

The livestock producers want the free law of supply and demand to operate. The Livestock and Meat Council so indicated. And they practically say, "Unless it does operate we will hold back." That is like pointing a gun at the administration, to vary the simile. It is a strike against the consumers.

Just see what happened in the Revolutionary War with reference to the operation of the law of supply and demand. Note what Washington said with reference thereto during the Revolutionary War when he wrote John Jay as follows:

A wagon load of money will scarcely purchase a wagon load of provision.

The Commander in Chief was gravely concerned that the American cause would be lost not in battle but from the high cost of living and the high cost of supplies for his army. Why? Because of the operation of the ordinary laws of supply and demand. The packers of those days and the moneyed interests of those days, if I may put it that way, in New York and in the East, were demanding that the law of supply and demand operate.

What did Washington say concerning price raising and price fixing? He said:

That which is usual and customary in such cases is to fix the prices of the several articles; bearing a proportion to what is the ordinary rate, and if persons will not comply the great law of self-preservation must authorize us to compel them.

Meaning that the law of self-preservation comes ahead of the economic law of supply and demand and "We must," said Washington, in effect, "compel people to disregard the law of supply and demand in emergency in the interest of the law of self-preservation." I commend these admonitions to the gentleman from Texas [Mr. KLEBERG] and to all ranchmen.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Montana.

Mr. O'CONNOR. According to newspaper reports we are told that it is contemplated importing Argentine beef into this country regardless of the sanitary laws. Does a policy of that kind make sense when we have more beef on the hoof and in the packing plants than we have ever had in the history of the country and no place to go with it? In other words, we cannot get it even though we have the points.

Mr. CELLER. It does not make sense if we have this vast store of cattle and we cannot get it to the hungry mouths that need it, particularly of the industrial workers who need the proteins and vitamins contained in the meat. If we cannot get it, we must be pragmatic. We will be compelled to import Argentine beef. I may say to the gentleman from Montana that some Argentine beef is not subject to the foot and mouth disease; for instance, that which is grown in Patagonia is not. We can import it corned and we can get it in cans where it is not subject to that disease.

The law of supply and demand does not operate in England as the result of artificial restrictions. In England they have been eminently successful in controlling prices and in making wages meet prices. The gentleman from Texas says that England is not an agricultural nation. Of course, it is not. It is an industrial nation importing most of its food, but we cannot blind ourselves to the experience of England with its roll-back, with its subsidy, and so forth. In a way we can pattern after England. Canada is not an industrial nation. It is an agricultural nation and has been eminently successful in doing that which we have been trying to do and what the O. P. A. is trying to do in getting carcasses of meat to the city populations. Canada has held back prices of rationing, enforcement, ceilings, roll-back, and subsidies. It has "held the line." We must hold the line by doing the same. If we do not hold the line, wages again will lag and will not enable the wage earner to maintain decent living for himself and loved ones. He will demand and get higher wages. Higher wages—higher prices. Then higher wages again. Higher and higher rises the spiral of inflation.

Mr. CANNON of Missouri. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, I have asked for this time to correct a statement made by the distinguished gentleman from New York [Mr. CELLER]. I realize that my good friend does not know very much about price-fixing or prices except what his consumers have to pay. He said awhile ago that the great trouble at this time is that farmers will not sell their hogs and cattle, although farmers have plenty of hogs and cattle. It is true in certain areas we have an increased production of hogs and cattle. The trouble is that right recently since O. P. A. has been talking about rolling back the price on meat, hogs and cattle have gone down about 2 to 3 cents a

pound, and packers are not buying and therefore farmers cannot sell; or if they do it is at reduced price. Do you think the farmers would go running all over each other under these circumstances to force the sale of their hogs and cattle when they are going down every day?

Farmers operate as individuals. They have not any say-so as to what price they are to receive for their products. They are as helpless as consumers. There is no definite price fixed to the farmer's products by the O. P. A. like they have fixed for everybody else. The farmer has to take whatever is offered. The packers are absolutely refusing to buy, and if so it is at a reduced price. Farmers are willing and anxious to sell, but they do not want to sell with prices rolling back on them. Feeding hogs after they become top hogs is an extra expense to farmers. I am selling hogs from my farm now at 13½ cents that some weeks ago sold for 15 cents. In the meantime my tenants are short of meat but O. P. A. will not permit me to kill and sell my own hogs to these tenants.

Mr. STEFAN. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is it not a fact that there are hundreds of farmers who have spent a half century or a quarter of a century feeding and producing beef who cannot longer stay in business because of the conditions that exist today?

Mr. FULMER. The gentleman is absolutely correct. I am getting letters and telegrams daily stating, "I am being forced to sell out—I am reducing my production of hogs and poultry because I cannot get any feed." One of the best producers and one of the most intelligent farmers in my district, Mr. Moss, of Cameron, S. C., who has been a producer of purebred hogs, wrote me the other day, "I wanted to increase the production of hogs, but I am forced to reduce."

It is not the farmer's fault. If the O. P. A. had started out its operation on a sound, common-sense, practical basis, that is, from the farmer, the bottom up with proper differentials with processor and all handlers, including the retailer, then everyone could have operated on a fair and normal business basis. No; they fixed the price of meat to the packer and retailers, and hogs and cattle kept going up. Now they want to roll back prices and pay packers a subsidy and the packers are pushing the prices of hogs and cattle down.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from New York.

Mr. CELLER. I agree with the gentleman. It may be that the packers are endeavoring to prevent the farmers getting a proper price. I want the farmers not to sell at a loss. If a roll-back is necessary for the consumers to get food at a proper price and to make up for that loss the farmer should get some sort of a subsidy; I am willing to do that. Let us get together and work something out.

The CHAIRMAN. The time of the

gentleman from South Carolina has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 2 additional minutes to the gentleman from South Carolina.

Mr. FULMER. If you are going to roll back prices and pay packers a subsidy, believing you will help consumers, then the farmer's prices should be fixed, so the packer cannot roll back the price on the farmer. May I say to the gentleman that I do not believe there is a Member on the floor of this House any more interested than I am in wage earners and the consumers of this country. Many people in my part of the country live in poverty and raise their children in ignorance because of the type of wages they have been paid and because of unfair prices they receive for their farm products. Before we passed labor legislation, for instance, the textile workers in South Carolina received only about 10 to 12 cents an hour, and they and their families went around in rags. Not a single boy or girl able to go to college, yet on these factory lists we have many boys and girls that would be able to make a name for themselves if they only had a chance. But the trouble is that a great many Representatives of the city districts like my good friend representing consumers and labor do not know the many problems of the farmers. If there is any two groups that should get together it is farmers and wage earners. The farmer, like labor and the consumer, in selling and buying farm products has no power whatever in demanding or fixing fair prices. The packer fixes his price and then fixes the farmer's prices so as to pay all expenses connected with his business, including his taxes and a fixed profit. Then this product passes through many middlemen, all able to fix their prices with many additions between the farmer and the consumer. Naturally the consumer has to take it or leave it.

Mr. CELLER. The gentleman would have control all the way along the line?

Mr. FULMER. Absolutely, from the bottom up and I would weed out many of these useless middlemen who operate as parasites on farmers and consumers.

Mr. CELLER. The gentleman and I agree.

Mr. FULMER. You cannot do it from the top down. As previously stated, when they put a ceiling price on meat some time ago, hogs went up. You have to start at the bottom with proper differentials and if I had my way about it, I would definitely fix all prices, including labor, on a fair basis for the duration and quit so much foolish experimenting. I begged them to do it, and they would not do it.

Mr. CELLER. We are in absolute accord on that.

Mr. BISHOP. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Illinois.

Mr. BISHOP. I appreciate the gentleman's explanation. In the final analysis, just who is responsible for the conditions that exist now?

Mr. FULMER. Under the present situation, perhaps you cannot hold any one person or any one agency responsible, for we have a half dozen agencies running all around over the lot with no one with any definite power. When you check on O. P. A. you are referred to someone else. When you talk to Chester Davis, he will tell you, "I have not any power," and finally you are referred to Mr. Vinson, and he will tell you "We are working on it."

My committee reported a bill today to place sufficient power in the hands of the Food Administrator, that which he thought he had when he was appointed, in connection with production, distribution, rationing, and price fixing.

Let us cut out red tape, lost motion, and confusion before we wake up too late with too little.

Mr. BISHOP. I wish to congratulate the gentleman on that.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

(Mr. CURTIS asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. CURTIS. Mr. Chairman, it is regrettable that the estimate from the Bureau of the Budget on an item of \$3,000,000 for airports did not arrive in time for the committee to incorporate it in this deficiency bill. It would have enabled 28 communities in the United States to complete their airports which were started by the W. P. A.

Originally, the Work Projects Administration had 267 airports. When the W. P. A. ceased functioning, 103 of these airports were completed; 65 have been specified by the Army and the Navy as being of military necessity and will be completed by funds otherwise provided for; 71 of these airports are now being operated by the Army. However, there are 28 airports which are not completed and a huge investment of not only the Federal Government, but the State governments and local municipalities, is wasting away. In this category is the air port at Beatrice, Nebr.; also the one at Fremont, Nebr. The other 26 airports are scattered over the States of California, Colorado, Connecticut, Georgia, Idaho, Indiana, Iowa, Kansas, Maine, Michigan, Minnesota, New Mexico, North Carolina, North Dakota, Texas, West Virginia, and Wisconsin.

Mr. Chairman, these communities have completed their part of the contract that they made with the United States Government to build an airport and thus advance aviation, aid in the pilot-training program, and improve the national defense. As the matter now stands, the Federal Government is a defaulter in its arrangement with these several communities in regard to their airports. Most of these airports are far along on the way to completion.

Mr. Chairman, I would like to call attention to a letter received from Mr. W. W. Cook, secretary of the airport board

of Beatrice, Nebr., bearing date of January 12, 1943, which is as follows:

BEATRICE MUNICIPAL AIRPORT BOARD,
Beatrice, Nebr., January 12, 1943.

Mr. CARL CURTIS,
Member of Congress,
Washington, D. C.

DEAR SIR: I am writing you to give you some information regarding our local Work Projects Administration airport project. As Work Projects Administration stops February 1, we have been notified that the work on our airport will cease as of that date.

The airport is a municipal airport, the land being owned by the city. It is located 2 miles north of this city on paved highway U. S. No. 77. Last April the citizens of this city voted by a majority of 2 to 1, \$60,000 for the purchase of the land and to pay the sponsors' contribution for a class 3 airport. The cost of the land was approximately \$45,000 for 395 acres.

The city entered into a contract with Work Projects Administration for the development of this tract of land as a class 3 airport. The amount of money necessary for the city to spend, according to their contract with Work Projects Administration, was about \$80,000. This included the purchase of the land, the sponsors' contribution, and the engineering fee. The city has cooperated with the Work Projects Administration 100 percent. We have furnished everything that we have been asked to. We have even gone further than our contract agreement. When Work Projects Administration labor became scarce, the city furnished high-school boys to drive trucks. The city paid these boys as, of course, they could not be paid by Work Projects Administration. We have furnished lumber, sand, and other materials, the cost being paid by the city. All of these things being over and above the amounts called for in the contract.

At the present time the field is in much worse condition than if the improvement project had never been started. There was grading done and ditches dug which have not been filled. Before Work Projects Administration started there was 160 acres of this tract that was a usable airport. The field, in the condition it is now, leaves us very little of even the original 160 acres that we may use.

The drain tile is being put in place at the present time, the city having agreed to furnish and pay for the necessary labor. This also is over and above the contract agreement. Work Projects Administration awarded a contract to the Robert Construction Co., of Lincoln, for grading and moving of dirt. The amount of this contract was approximately \$101,000. The Robert Construction Co. have moved a great deal of equipment and machinery to Beatrice. They have done very little work. Of course, if their contract is terminated, there will be a large amount of money due them as liquidating damages for which the Government will get nothing in return. They, of course, are rightfully entitled to the liquidating damages as they have been to considerable expense.

We have trained approximately 50 students here in Beatrice under the Civil Aeronautics Authority War Training Service. The majority of these people are now either in the Army or the Navy. We are still training these students, although it is quite difficult with our limited runway.

I am enclosing photostatic copies of some letters received from the Store Kraft Manufacturing Co., of this city. They are large subcontractors under the Cessna Co. As you can see from the letters, they need the airport continually. As a matter of fact, Cessna many times have flown parts and supplies into the Store Kraft Co., and if they had not been able to do this, it would have greatly

delayed the program of the Store Kraft Co. in their vital war business.

I am also enclosing information compiled by our engineers showing the summary of the work planned, the work accomplished, and the work yet to be done. This was all approved by the Work Projects Administration.

We are calling upon you to help us in any way that you can to get some other agency to take over and complete this work. We need it very badly. The city has at the present time spent in the neighborhood of \$70,000, fulfilling their part of the contract. It does not seem fair to us that the city, having spent their part of the money, that the Government should not complete this project.

Anything that you can do for us will be greatly appreciated. If there is any additional information that we may furnish you, please let us know.

Yours truly,

W. W. COOK,
Secretary, Airport Board.

Mr. Chairman, throughout the weeks and months since the termination of the W. P. A., I have been endeavoring to get some action that would bring about the completion of this important airport at Beatrice. Many contacts and conversations have been had with officials in the C. A. A. and the Army and Navy. Up until now, the Army and Navy have not seen fit to take over this airport or aid in its completion. It is my belief that the C. A. A. wants this airport completed and that their request is now before the Bureau of the Budget.

The city of Beatrice has done everything that they could do. In fact, their expenditures at the present time apparently exceed the amount mentioned in the above-quoted letter of Mr. Cook.

On June 14, Mr. M. S. Hevelone, an attorney at Beatrice, advised me by telegram, "Beatrice fulfilled its part of original contract with W. P. A., including furnishing land, all engineering, and other items, totaling over \$80,000. W. P. A. agreed to complete port in three phases but did not complete phase one. Airport in worse condition now than before. Besides, Government defaulted on contract. Beatrice has three industrial plants devoted to war production. One plant working under subcontract with Cessna Aircraft of Wichita. Beatrice port in incompleting condition not usable by men flying here on war work."

State Senator Ladd Hubka of Beatrice has been very active in promoting the Beatrice airport. He, too, advises that the city of Beatrice has done everything required of them and more, and urges that the Federal Government complete its agreement.

Mr. Chairman, in the interest of economy and fair dealing on the part of the Federal Government with these 28 communities having unfinished airports started by the W. P. A., I urge that this Congress, at an early date, take the necessary steps to bring about their completion.

Mr. CANNON of Missouri. Mr. Chairman, I ask to be recognized for such time as I may require.

Mr. Chairman, we are presenting this morning the last of the annual appropriation bills. The pending bill, the second deficiency appropriation bill, closes

the appropriation program for the session. We are at last able to approximate in general terms the total amount carried by the annual supply bills for this session of Congress. Of course, it is impossible yet to say definitely just what the amount is, as a number of the bills are still subject to change in the Senate and in conference, but, under the present status, the annual supply bills and the supplemental and deficiency appropriation bills aggregate approximately \$111,000,000,000 for the first session of the Congress. An approximate estimate of the permanent appropriations, special and general accounts, not including trust funds, for 1944 is \$4,000,000,000. So we reach a grand total at this time, under the present status of the supply bills, of \$115,000,000,000 for the first session of the Seventy-eighth Congress.

This is the largest amount of money ever appropriated by the American Congress, with one exception. The second session of the Seventy-seventh Congress appropriated a total of \$147,000,000,000. We are falling short of that amount this session by some \$32,000,000,000.

And that is as it should be. There is an encouraging note in the fact that the appropriations for this session make it the second largest appropriating session in the history of the Nation. There is reason to believe that it indicates we are over the hump, that the biggest job of getting our production geared to war needs is done, and that we have now reached the point where we have practically completed capital investments. All major factories are built; all major plants are in operation; all patterns, jigs, and dies have been supplied; our personnel has been mobilized and organized. From now on we need production, replacement, and maintenance, as far as we can see now; and from now on, the trend should be to keep producing to the limit. There is heartening evidence in this decrease in appropriations for this session under the appropriations for the last session—that we have passed the turning point in the war. It is an encouraging and optimistic augury. At last we are definitely headed toward ultimate victory. We are winning the war.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. I hope everything the gentleman has said will prove to be true. If the gentleman has not read it, I should like to have him read in the current issue of Life a description of the Battle of Attu. It will give him a vivid idea of what this country is up against before we lick the Japs, which we have to do.

Mr. CANNON of Missouri. I am very glad to have the gentleman call attention to that phase of the situation. I trust no one will get the impression that victory is either near or easy. While this is an encouraging omen, it does not mean that the war is over or that any material part of the incalculable price has been paid. Anyone who took note of the very informative address made

by General Marshall this week, must realize that there are long days of hard and strenuous battle ahead, and that it is to be battles in which we must expect to suffer frequent reverses and severe losses; but we can begin to take heart in the knowledge that the processes of preparation for war are now secure.

We are just beginning to realize, just beginning to catch a glimmer of light on how close we came to tragic and irretrievable defeat. We are beginning to realize that if the enemy full-panoplied, full-armored, ready to the last buckle, had been able to throw his mechanized might against us as against France before our plants were built, our troops equipped, our personnel mobilized, that, regardless of our resources, regardless of the dauntless spirit of the American people, we could not have protected our shores or defended our centers of production.

We are now in a position through the capital expenditures of the last Congress and this where we can be assured we are as well or better armed, as well or better equipped, our armed forces as well trained and disciplined or better trained and disciplined as any force which the enemy can bring against us. From now on our job will be to keep our present plans and factories in production. As a matter of fact, it has been developed in our hearings that we are producing so effectively that we can now turn some small part of our energies and facilities to civilian needs and divert some of our war plants to the production of materials for civilian consumption. That is one of a number of encouraging conclusions reflected in the substantial reduction in the amount of the total appropriations for this session under the peak appropriations of the last session.

It must be understood, of course, that all appropriations here tabulated, either for the last session or this session, are not devoted to war purposes. In the last session, and in this session, about six or seven billion dollars have been devoted to the maintenance of the ordinary functions of government, including interest on the public debt, which for next year amount, to something like \$3,000,000,000; but outside of the six or seven billion dollars in the last session and this session the entire appropriation of \$147,000,000,000 for the second session of the Seventy-seventh Congress and \$115,000,000,000 for the first session of the Seventy-eighth has been for war.

The second deficiency appropriation bill contains comparatively few items and comparatively small amounts to take care of the ordinary odds and ends of deficiencies that ordinarily appear at the end of a session. We have here appropriations for the Postal Service, the bulk of which is for the pay of personnel, for clerks, for postmasters, and for Star Route Service, and the deficiency is occasioned by the tremendous increase in the volume of mail and to mail carried free for those in the armed forces.

Under the Federal Works Agency we have an appropriation of \$7,000,000 to carry on a work-relief program in Puerto Rico and the Virgin Islands from July 1

to November 30, 1943, under the act of June 22, 1943, legislation which came unanimously from the Committee on Insular Affairs. This \$7,000,000 is a reduction of \$1,000,000 from the \$8,000,000 recommended by the Budget in respect to this legislation to provide a stop-gap to take care of unemployment and destitution conditions in the islands, much of which is due to war conditions, and the disappearance of commerce occasioned by our war activities.

Under the Treasury Department we provide \$2,700,000 for payment to Panama and the Export-Import Bank on account of Panama's share of the cost of constructing the Chorrera-Rio Hato Highway. When this road was projected the original cost was to be \$4,000,000, of which the United States was to pay one and a half million and Panama would pay two and a half million dollars. Panama borrowed her share from the Export-Import Bank at 4 percent interest. The work was to be done by Panama under advice of the United States engineers; but with the coming of the war, and the imminent necessity of prompt defense of the Canal and the locks in Panama and other installations, we took over, with the consent of Panama, the building of the road, changed the specifications, and agreed, for other important considerations, to assume her part of the cost of the road. We here provide for a refund of the part of the amount of the loan which Panama has paid, principal and interest, and to pay the bank the remainder due from Panama on the two and a half million dollars in the original loan.

Under the Civil Service Commission we provide for the Board of Legal Examiners, with which the House is familiar, and for the liquidation of the National Resources Planning Board.

The bill as presented to the House carries a total recommendation of \$36,245,360.60, a reduction from the amount of the Budget estimates of \$2,255,500, as large a retrenchment as we felt the program could afford.

It is to be regretted that time could not have been afforded for inclusion in this bill of an appropriation to take care of distress conditions occasioned by floods in the Missouri, Mississippi, and Ohio Valleys. Conditions in these sections are so severe that 3 weeks after the first inundation, the Army engineers have not yet been able to make an accurate estimate of the damage or of steps to be taken for alleviation of flood conditions in these devastated valleys. The loss has been very heavy and will be greater unless early assistance can be given to rehabilitate farm facilities and to start production before it is too late to take advantage of the season.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. On the Missouri River flood situation we have no funds for a survey based on the damage done this year, have we?

Mr. CANNON of Missouri. This bill carries no provision of any kind. There has been no time to secure estimates.

Mr. STEFAN. Does the gentleman understand that there is a new section to the new road bill passed in the Senate yesterday providing for some construction of damage done to bridges and roads in the recent flood? Will we get that bill here before we recess?

Mr. CANNON of Missouri. It is to be hoped that some such provision will be provided before the recess. It is the most distressing flood we have had in the Middle West in a generation, and the crest of the flood had not reached the confluence of the Missouri and Mississippi at last report.

The CHAIRMAN. The gentleman from Missouri has consumed 17 minutes.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. ENGEL].

(By unanimous consent, Mr. ENGEL was granted permission to revise and extend his remarks.)

Mr. ENGEL. Mr. Chairman, I was intensely interested in the statement made by my good friend—and he is a good friend—the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], to the effect that the total appropriations at the last session of the Congress aggregated \$147,000,000,000, and that the appropriations for the present session of this Congress had aggregated \$115,000,000,000, making a total appropriation for the two sessions of \$262,000,000,000 of the taxpayers' money.

On May 27 I placed in the RECORD a statement giving the latest available records on the assessed valuation of each of the 48 States of the Union. That record shows that the total assessed valuation of the 48 States of the Union is \$150,000,000,000. I fail to find anything that is very encouraging in the picture. We have passed appropriations for \$262,000,000,000 in two sessions of the Congress, and this session is not over yet. That amount is almost twice the assessed valuation of every piece of property, real and personal, tangible and intangible, in the 48 States of the Union.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentlewoman from Connecticut [Mrs. LUCE].

(By unanimous consent, Mrs. LUCE was granted permission to revise and extend her remarks.)

WHAT IS AMERICA'S FOREIGN POLICY

Mrs. LUCE. Mr. Chairman, recently there has been unanimously reported by the Foreign Affairs Committee a resolution, which I hope will be unanimously passed when it reaches this floor. I read that resolution:

That the Congress hereby expresses itself as favoring the creation of appropriate international machinery with power adequate to establish and to maintain a just and lasting peace among the nations of the world, and as favoring participation by the United States therein.

Since this resolution was reported a number of people, including to my astonishment one or two Senators, have spoken as though the foreign affairs of this country were not the business of this House. I can imagine no conception of

foreign affairs which betrays such a complete lack of understanding of what foreign affairs are all about. To talk as though this House had no concern with foreign affairs, is to talk as though foreign affairs were some sort of esoteric parlor game, some pukka-sahib sport, a sort of private political monopoly which has no vital relation to the vital interests of the people. Is this House, then, to raise the most staggering taxes in all history, for a \$300,000,000,000 war, and to have nothing to say about what we win when we win that war?

Such indeed seems to be the attitude of a few people in high offices who have always sought jealously to maintain a monopoly of foreign affairs. They have cozened and propagandized the people into thinking that foreign affairs is a delicate abracadabra which the people had better leave to their betters. This is also the doctrine of those who preach a century in which there will be 129,999,000 common men but only 1, or perhaps 2 very, very uncommon men who will do all the thinking about everything foreign for you and for me.

Mr. Chairman, I know, and every Member of this House knows that the future foreign policy of the United States is a matter of profound concern to all the people. To be sure the people are confused about it now. They have been deliberately confused by those who have claimed a monopoly of wisdom in this field. The catastrophe of this war is the very measure of their wisdom. This, the people have begun at last to realize. So, while the people do not yet know what they intend their future foreign policy to be, they do intend to be the architects of it. If, in spite of their desire to do so, the American people are denied the chance to determine their own foreign policy, there will have been committed the greatest crime that was ever committed in this Nation against government by the people.

It is in response to the demands of the people that their representatives in every branch of government contribute to this task of shaping America's foreign policy by every available means that the Fulbright resolution has been brought before us. Wisely, I believe, it has been determined to postpone the vote until after every one of us shall have had an opportunity to consult again with our people who have sent us here. When we return here, I have no doubt that we shall pass this resolution unanimously.

But though this step is all, perhaps, that we can wisely take at this time, it is only a first step toward an American foreign policy. For actually the Fulbright resolution is only the expression of a national sentiment. And there is a world of difference between sentiment and policy.

My argument is that, even at this late date, America has no foreign policy; that we must shape ourselves a policy soon; and that without a foreign policy we in this House can do nothing in the future with intelligence or success. Without some idea of the shape of American foreign policy, our attempts here to deal with the problems of finance, labor, agriculture, currency, social security, lend-

lease, demobilization, rehabilitation of stricken countries, feeding of starving nations, and disarmament can hardly be more brilliant than the attempts of blind-folded children to pin the tail on the donkey.

To show how we may go about getting a foreign policy, may I with your kind permission propose a base point in a true American foreign policy? But let me say one thing, first: I do not care what foreign policy all the American people finally determine—provided they determine it on the basis of the facts. For I know this—and each of you knows it—that after all the argument is done, a policy which stems out of the true character and vital interests of the American people is not going to differ very much from what I want or from what each of you wants, on either side of this aisle.

How then do we proceed from vague verbalisms to concrete decisions? How do we proceed from sentiment to policy?

At the risk of sounding schoolmarmish, let me press the distinction between the sentiments of a nation and its policies, by defining the word "policy" itself. Here the ordinary Webster's Collegiate Dictionary will do. There policy is defined as "procedure based primarily on temporal or material interest, rather than on higher principles; hence worldly wisdom in the conduct of a nation's affairs."

This, Mr. Chairman, is the specific sense in which I use the word "policy." This is also the sense in which it has been used for hundreds of years by statesmen and diplomats whenever they have spoken of any nation's domestic or foreign policy. By historic use, as well as by dictionary definition, the philosophy, the ethics, the morals, the principles, the sentiments of a nation are not the same thing as its policies. Indeed, policy, which is procedure, based on temporal or material interests, in short, procedure based on self-interest, may be at total variance with the accepted principles, or spiritual concepts of a nation. Or it may be in accord. Benjamin Franklin made clear for all time the nice distinction between principle and policy, as well as the great importance of harmonizing them happily, when he said, "Honesty is the best policy."

Policy is, to put it another way, the pursuit of national or international ends by a choice of national means. A wise and honest nation will always demand that the international ends it seeks should be open and aboveboard, just and honorable, and so also should be the means to these ends. That is what Woodrow Wilson meant when he said, "Open covenants, openly arrived at." Secret means, used to achieve secret ends, midwifed by secretive diplomacy are not the ways of a democracy. These are the ways of totalitarian and Fascist powers. These are the ways of dictatorship. And when they are practiced or embraced by democratic statesmen, they are the ways that lead a democracy to its own doom.

Now the effort during the past 40 years of millions of Americans in high places and low to avoid having any foreign policy at all has come to be known in our day as "isolation."

Your extreme isolationist of yesterday was a citizen who believed that his country could develop peacefully and prosperously with nothing but a domestic policy, regardless of the foreign policies of other nations.

At this point let me say, every American realizes that we do have a procedure and do practice a foreign policy toward Canada and Mexico and the Central and South American countries. In short, he has long recognized and accepted the need of stating his material interests in the Western Hemisphere, and pursuing them there intelligently and vigorously. But in the past 40 years the average American had come to feel, for some strange reason, that our thinking about Europe and Asia could stop at the water's edge. And he has twice been doomed to ugly surprises. He is doomed for uglier and even more tragic ones, if he has failed to learn the lesson of two World Wars. I do not think he has failed to learn it. I believe there are few isolationists, by my definition, left in this Nation.

Now it has been noted, I believe, that I am no proponent of "globaloney." But it has not been generously noted that I am equally a bitter enemy of "globlindness", and a staunch friend of "globaliances."

I know, as most of my colleagues do, that the policy of no-policy toward Europe and Asia ignores one hard and woeful fact. All the other nations—European and Asiatic—do have foreign policies. They do assiduously and tirelessly pursue their international ends by the choice of national means. What the isolationists had failed to realize is that all these other foreign nations—both our friends and our enemies, put the United States' foreign policy—which is paradoxically to have none at all—at the very top of their agenda. For example, for a hideous example, the whole foreign policy of the Germans and Japs and the Axis Powers was carefully built and secretly pursued in the justified belief that America would not take the trouble carefully to inspect ultimate Axis aims, and would therefore never realize in time the nature of Axis designs on America. In short, during the past 40 years, our lack of any alert and positive foreign policy toward them allowed them safely to pursue their own toward us. Thus, we see an ugly paradox; our lack of a foreign policy not only became an irritant, a worry, a heart-ache to our natural allies, forcing them into appeasements and uncertain alliances, but it became a comfort and an encouragement and a very real aid to our natural enemies.

Mr. Chairman, twice in our lifetime America's lack of a foreign policy has discouraged our friends, encouraged our enemies, weakened the forces of peace, fanned the flames of war, and plunged the world into catastrophe.

So isolation has twice proven to be a disastrous attitude for America. But what, you ask, of intervention? If isolation is the lack of an American foreign policy, is what has come to be called intervention the presence of an American foreign policy?

The answer again is an unequivocal No. Intervention, as it also has been twice practiced in our lifetime, is no more of an American foreign policy than isolation. Intervention, both under Woodrow Wilson and under Franklin Roosevelt, was simply the adoption in extremis of another nation's foreign policy. Twice before this isolationist nation, belatedly seeing that its many moral and material commitments abroad and on the high seas were menaced, and its shores therefore ultimately endangered, has been plunged into a world war, prepared neither with war aims nor peace goals, and barely prepared with sufficient arms to defeat those of its enemies.

Neither the avowed interventionists nor the avowed isolationists can conceal the appalling fact of their own paucity of ideas about American international aims. For neither interventionists nor isolationists had any clear pre-war international American policy.

I believe that an American interventionist who adopts lock, stock, and barrel another nation's foreign policy when the threat of war is fully revealed is no more to be admired as an American patriot than the isolationist who denied the need of any policy when the threat of war was not visible. The interventionist is just a renegade isolationist, the isolationist an unconverted interventionist. Neither has honestly thought through his own country's true interests.

Now, let us, since the question of isolation came first, take the so-called foreign policy of the President. Until 1937 Franklin Roosevelt was the world's outstanding isolationist. For years he was famed for his blithe indifference to the oneness of the world in every chancellery in Europe and Asia. His public approval, for example, of Munich is a matter of public record. This administration's isolation from Europe and Asia until, and even after, that very day is a fact that no historian disputes. Hitler and Mussolini thrived and waxed strong in those balmy days of the isolationist New Deal. In those days, too, Hirohito, slowly encompassing the conquest of China, bought the scrap and steel from us with which to beat our only potential ally in the Far East to her knees. And even then Hirohito was planning the conquest of American possessions in the Pacific. Until 1931 America had had a coherent, if not a vigorous, far eastern policy. From then on, under New Deal statesmanship, that policy was allowed to deteriorate slowly but inexorably; a fact that was memorialized by our piled dead at Pearl Harbor.

But after Munich the evil tidings out of Europe and Asia began to swamp the State Department. No President fit for office could any longer ignore them. Slowly, reluctantly, hesitantly, Franklin Roosevelt abandoned his isolation. Little by little, cautiously, compromising always uninformed public opinion with his own bitter State Department information, Roosevelt, the world's outstanding isolationist, became Roosevelt, the world's outstanding interventionist. Which is to say, insensibly he began to adopt another nation's foreign policy. He adopted that of our greatest and

nearest and most friendly neighbor—Great Britain. Fortunately, he adopted something, and better late than never. Though, may I point out here, even that policy was never forthrightly adopted by him, but rather thrust upon him at long last by Pearl Harbor and the German declaration of war upon America.

Now, right away you ask, Was Mr. Roosevelt's acceptance of British foreign policy a good thing or a bad thing for the U. S. A.? I want to be quite clear about this. The acceptance of any coherent, functioning foreign policy, long contrived to preserve the material welfare of millions, no, hundreds of millions of people, above all, the acceptance of the foreign policy of a powerful and friendly and kindred nation is far, far better than having none of your own. And Mr. Roosevelt had no foreign policy for America before Pearl Harbor—and he has no foreign policy for America now.

But as we all know, for many divers reasons, many Americans who were against Roosevelt's domestic policy were entirely willing to follow him in so-called American foreign policy. Those who did so for the best reasons were the thoughtful, unselfish, patriotic Americans who wanted above all things for America to be physically safe, not only today, but tomorrow. They knew, in short, their geography. They knew that for purely geographic, utterly materialistic reasons, lacking a foreign policy of our own, the foreign policy of Great Britain was the policy of all those in the world best calculated to preserve America from direct attack. They were the people who also knew that the Monroe Doctrine itself would never have been tenable without the existence of a strong and friendly British Navy. They knew that for time out of mind, the British, who kept the seas open and policed, had coincidentally kept them open for American trade, American defense, American ideas. They knew and saw what people do not yet see clearly enough—though there is nothing whatsoever to keep them from looking at the map—that the British Empire is America's natural buffer state.

As France has stood between England and Germany for centuries, as Poland, Czechoslovakia, and the Balkans have stood between Russia and Germany, so there, my colleagues, on the globe stands the far-flung British Empire between the United States and all its real or potential enemies, in Europe and to some extent in Asia.

We have been attacked by the Germans and the Japs. Where are the great masses of our American troops gathered or fighting? Not on American soil. In Australia, the British Isles, the Near East. We have had to borrow everywhere Empire soil to get at our enemies. Even in the Far East, now that the Philippines are gone, to aid our Chinese allies we must pass for thousands upon thousands of miles through commonwealth land to India. Conversely, if our enemies today or tomorrow want to get at us, they too must always borrow British soil, or first subdue all or parts of the British Empire.

To repeat, with the exception of Japan, there is not one country in this whole

world—again I am omitting South America, for obvious reasons—which could get at the United States of America, or at which the United States of America could get without passing over or through some part of the Empire and commonwealth. America's geographical armor, its eternal physical shield are colonial parts or commonwealth components of the Empire and its many Gibaltars. Even Japan had first to dispose of British strongholds in the southwest Pacific in order to secure her lines of attack on our loosely held outposts in the Pacific.

Let us say that mighty Russia might be our next enemy, which I do not for a second believe. Attacking from the polar cap, even Russia would have to pass through, or over, Canada to get at us. Attacking out of Siberia past Japan, striking at Alaska, Russia would still have to go through Canada to reach American heartland. Therefore, Mr. Roosevelt was right, so far as the question of sheer self-defense of the United States of America went, in the early stages of the war to embrace Empire policy and strategy. He saw, as any child who consults his maps can, that if the Empire were to be destroyed America must eventually become physically vulnerable to a score of nations. For yesterday, today, tomorrow this country must always deal with immutable geography. We have the neighbors we have. And this must always make our foreign relations to the British Empire of paramount importance to the United States of America.

Therefore, it is, I think, obvious beyond dispute that the base line of our search for an American foreign policy must be our relations with the British Empire. I believe that the American foundation stone of an American foreign policy ought to be a military alliance, or nonaggression pact, with Great Britain and the self-governing members of the Commonwealth. The high-minded, sincere internationalists, or the deliberate makers of political confusion may talk all they want about world organizations, regional federations, leagues of nations, and other mechanisms of collective security. I submit that in this epoch of history, collective security is meaningless without the firm and clearly established military, as well as economic and spiritual, collaboration of the United States and the British Commonwealth.

Today and tomorrow the question is not paramountly the peace of Europe but of the world. In the world scene, any scheme, however noble in concept, to maintain peace will in the last analysis be no better than the character and clarity of the relationships between the United States and the British Commonwealth.

I speak, at this point, not of a foreign policy, but of the search for a foreign policy, and I say that this search must be enormously speeded up. It is for the people of America to determine their future foreign policy. In foreign affairs, as in domestic, politics is the art of the possible. The American people have a right to know what is possible in foreign affairs and what is not. It is the business of the executive branch of this Gov-

ernment to serve the people. In foreign affairs, as in all else, it is for the President of the United States to be the servant of the people, not their master, and certainly not their Delphic oracle. Let us then call upon the executive branch to serve us and all the people by ascertaining without further delay the broad limits at least within which a permanent alliance with the British Commonwealth may be obtained.

There are, I believe, no insuperable difficulties in the way of an Anglo-American alliance. But no doubt there are difficulties. Some of these difficulties certainly exist in the sphere of our world-wide material, commercial and economic interests, such as currency, aviation, shipping, communications, oil, and so forth. All such questions need not be settled at once, though they certainly should be explored at once. The question to be determined today is whether we and the British are willing to work out these problems in a generous spirit of give and take. Senator Lodge has ably pointed out that all of our allies are definitely pursuing, in their policies, their own material and temporal interests. I do not for 1 minute object to Great Britain pursuing her own interests with vigor and selfishness, so long as she is threatened, and the world is threatened by the possibility of recurrent American isolation. So long as the Government of the United States is not prepared to get down to brass tacks—so long as high officials of this Government continue to make windy words and sentiments and vague principles such as the "four freedoms," a substitute for the hard but patriotic business of statesmanship, Great Britain cannot do otherwise. Nor can the rest of the United Nations. But if our Government would ever get down to brass tacks, and help to give the American people a clear conception of what are the vital interests and needs of the United States so that we could all agree to our foreign policy—then surely the British Government would, for the first time, be willing and glad to deal with us on the basis of a high regard for our material interests and our spiritual aims of world freedom. I cannot conceive that any government of His Majesty would want to jeopardize the security of the commonwealth or the peace of the world by undue opposition to American interests and ideals. His Majesty's Government would, I am certain, wholeheartedly welcome a Government of the United States which would be able to make plain in sensible, common-sense fashion the continuing and vital interests of the American Nation, in Asia and Europe. Benjamin Franklin might well have said: "Fair play is the best Anglo-American policy."

I have said that policy must be sharply differentiated from principle. Policy cannot always achieve, indeed policy can never wholly achieve the perfect fulfillment of principle. At the same time, when there is too big a gap between policy and high principle, we are plunged into an abyss of moral confusion—the very kind of confusion from which America now so deeply suffers. For instance, either in the vacuum of an American foreign policy, or even with an American foreign policy, the "four freedoms" for

the whole world are impossible of application. But implemented by a clear Anglo-American accord, the application of them to many parts of the world, where they do not yet exist, becomes infinitely more possible. In fact in these circumstances we may even be able to achieve the "four freedoms" for the United States of America.

For my part, I believe that the greatest of our principles does not separate us from the British Commonwealth, but rather binds us together: namely, our mutual faith in government by the people, for the people, and of the people, and our determination to maintain it for ourselves, whatever else happens.

The people of the British Commonwealth are utterly devoted to this principle. In the course of two centuries, however, they have acquired the tremendous problem of the application of this principle of self-government to vast areas of the Empire where self-government is not fact nor even, in some cases, an active theory. Today many British leaders tell us they are determined to apply the principle of self-government everywhere in the Empire as rapidly as possible. Certainly the United States ought not to be a party, directly or indirectly, to any unjustifiable delay in the expansion of political freedom for all peoples. But an Anglo-American alliance would, I believe, give great impetus to the expansion of world political freedom.

Finally, we cannot enter into a basic alliance with the British Empire if to do so would provoke the reasonable enmity of or suspicion of other peoples, such as the Russians and the Chinese, with whom, as with the rest of the United Nations, we are also determined to establish enduring relations of fruitful cooperation.

Let me now summarize my argument: In the long and tragic absence of any American foreign policy, vis-à-vis Europe and Asia, Mr. Roosevelt did the "second best thing" when he adopted that of Mr. Churchill. But second best it was, and is, and will be.

Until America finds and proclaims a vigorous policy of its own, our isolationist Presidents, in times of stress and war, will always be faced with either the disastrous choice of letting the British Empire go under at the hands of its aggressors—and our potential enemies—or of becoming interventionists and jumping in at the last desperate moment on Britain's side—and in that scramble of accepting, in a vacuum of all else, Britain's foreign policy, her ways and means of waging war, and her ways and means of shaping the post-war world. For we shall never, never, in material things, or spiritual ideas, be prepared for anything else.

How shall peace finally be brought to the world? By what—to use the words of the Fulbright resolution—"appropriate machinery"? Well, first, by using the machinery of our minds. Let us here in this House make it clear that it will be no longer an advantage to statesmen who wish to remain in power to make America's foreign policy seem exclusive, mysterious, and complicated. The Greeks

invented the painless trick of the maze to drive ordinary men insane. It is the trick of politicians in high places today to raise a terrible dust of words about police forces, leagues of nations, world federations and so on, and then to complain that people do not see. It is a trick of these politicians to egg on every man to call his neighbor who is trying desperately to think things through from any American point of view, either an isolationist or imperialist, a warmonger or a pacifist. Let us put an end to this nonsense by proclaiming the simple obvious fact:

What is most wanted in America today are statesmen and legislators who can formulate a clear, honest, all-American foreign policy for the United States of America in Europe and in Asia. I predict that any such clearly announced American policy will at no point come into harsh conflict with the best interests of China, Russia, Great Britain, or any of the United Nations. Once we see this clearly, each of the great nations will give a little and all the nations will gain more. Only in this way will we be able to work out our destinies peacefully at home and abroad.

One more point and I am done: A foreign policy never should be and never can be at odds spiritually or economically with a domestic policy. The same spirit and philosophy that informs one will inevitably inform the other. Laissez-faire tycoony, economic isolation and reaction at home before 1932 bred the same sort of disastrous American foreign policy abroad. Today "W. P. A.-ism," "poppa-fixism," "mama-do-goodism" will breed the same kind of American policy abroad—and with inevitably the same results on the foreign scene that it has had on the domestic scene.

Mr. Chairman, I ask you, Where are today's Jeffersons and Franklins and Adamses? Where are today's Monroes and Washingtons? Where are the men who believed in helping those who help themselves? In equal opportunities for all men and all nations? In vigilance being the eternal price of liberty? In America creating its own destiny? Where are the men, such as those I have named, who had both a policy for America and an American policy for other nations, and who put them squarely and honestly and without apology before the people and the world? Where? Where? Well, when they come—and come they will, perhaps on the very floor of this House—they will bring order out of our national and international chaos. They will set an honorable and yet realistic American foreign policy before us, and to that policy we will pledge our words, our honor, and our arms; and having done so, our words will never haunt us, our honor will remain unsullied, and our swords will stay bright in their scabbards—bright and unused.

Mr. J. LEROY JOHNSON. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. J. LEROY JOHNSON. Out where I live we have a port. For 5 or 6 years before December 1941, out of that port went hundreds of thousands of tons of scrap steel; and the same thing out of

San Francisco. It went to Japan, and at the very same time we were shipping those thousands of tons of steel we were befriending, or supposed to be befriending, China. What kind of a policy was that?

Mrs. LUCE. That is the isolationist policy of Mr. Roosevelt which I am presently going to describe.

Mr. DONDERO. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. DONDERO. I have a distinct recollection of the campaign of 1940 when some of us were charged with some of the things the lady is now announcing. Is it not true that even the President of the United States then announced that the boys of this Nation would never fight on foreign soil?

Mrs. LUCE. That is perfectly true and I thank the gentleman for making the point.

Mr. McMURRAY. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. Please let me finish. It is quite true, as the gentleman from Michigan [Mr. DONDERO] says, that in the last election the President out-did Mr. Willkie in telling the people of the United States that their boys would never be put on troop ships and sent overseas. What safeguarded his political position for him at that time was that the insiders all knew he was talking with his tongue in his cheek. Now, it is one thing for a private citizen to talk with his tongue in his cheek, but it is quite another thing for the President of the United States to talk with his tongue in his cheek, of the whole American people. Mr. Roosevelt was in reality an interventionist talking like an isolationist.

Mr. TABER. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. TABER. Is it not true that the President himself became the leading isolationist when he espoused and put through the so-called neutrality bill of 1935 and 1937?

Mrs. LUCE. That is perfectly true, and I thank you for making that point, too.

Mr. BENDER. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. BENDER. If the gentlewoman will read the New York Times the day after the Munich conference she will find in that paper a statement giving Franklin D. Roosevelt equal credit with Britain and France for having established the peace of the world by enforcing or participating in the Munich conference.

Mrs. LUCE. I thank the gentleman for making still another point in my argument that Mr. Roosevelt has been the world's greatest isolationist in his time.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. LUTHER A. JOHNSON. The statement which the lady made that the President inspired neutrality legislation is not in accordance with the facts. Neutrality legislation was not looked upon with favor by the President and

the Secretary of State, as I happen to know. That was an act of Congress.

Mrs. LUCE. The President of the United States for 10 years had this House in the hollow of his hand. There was seldom any piece of legislation he wanted that he could not get here. If he did not at the time inform the people of the United States what an insane policy the Neutrality Act was, then it was because he did not choose then to upset the overwhelming political balance of power which he had in this House.

Mr. LUTHER A. JOHNSON. Let me say to the lady that familiar as I am with the facts, the statement that the President of the United States or the Secretary of State inspired neutrality legislation, is not supported by the facts. I speak as one who led the fight for neutrality legislation, and I was wrong and I have apologized since to Secretary Hull for differing with him upon that very issue.

Mrs. LUCE. The gentleman is a typical example, as the President himself is, of an isolationist, which is to say he was an unconverted interventionist. Conversely, an interventionist is nothing but a renegade isolationist. What America wants are men who have a positive foreign policy for the United States, who will see clearly enough ahead so that they cannot possibly make a mistake about a thing as serious to the United States as the passage of the neutrality act.

Mr. LUTHER A. JOHNSON. Let me say to the lady that if I am guilty of that name, whatever it is, the Members on your side of the aisle voted just as numerous and in just as large proportion for neutrality legislation as those on this side of the aisle.

Mrs. LUCE. The gentleman misunderstands my words completely if he thinks I am supporting either interventionists or isolationists. I say that neither is good for America. Neither has a foreign policy for the United States.

Mr. WRIGHT. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I was very much interested in what the gentlewoman had to say about the period 1932, 1933, and 1934.

Does the gentle lady believe that any one person, no matter how popular or with what authority in this country could have sold the American people the idea we must intervene to protect China or any other country?

Mrs. LUCE. I believe great leaders can sell the people anything. I believe that great leaders have in times gone by sold the American people great new forceful ideas; I believe Thomas Jefferson was such a leader; Washington was such a leader; Abraham Lincoln was such a leader. We have had them in history before. And when we have again men like Monroe and Jefferson, men who have both a foreign and domestic policy for the United States of America, and when that day comes people will fall completely unified behind such a leader.

Mr. KNUTSON. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it not true that the present administration has no foreign policy to sell to the people?

Mrs. LUCE. Precisely; you have made the very point my whole argument is based on. This administration never has had a clear foreign policy.

Mr. SCOTT. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Pennsylvania.

Mr. SCOTT. Does the gentlewoman have any hope that the President will announce any foreign policy until about 2 weeks or so before the election in November of 1944?

Mrs. LUCE. It is to the interest of those in political power today to keep a monopoly on foreign affairs. The Greeks invented the maze, a very painless way of driving a sane man insane. It is therefore certain that this administration will not reveal its foreign policy, if any, before election, but will rather, induce the American people to lose itself in a maze of terms like collective security, world federations, regional federations, and so on, so that the people will become so confused that they will believe no one but the President can show them the way to go home.

Mr. O'CONNOR. The distinguished gentlewoman has frequently referred to isolationists and interventionists. I think those terms are largely inspired terms. I do not think there was such a person in the United States as an isolationist so far as war was concerned.

Mrs. LUCE. Peace, sir, is not a policy; peace is an expression of hope.

Mr. O'CONNOR. Pardon me just a minute, may I continue?

Mrs. LUCE. Is the gentleman asking a question?

Mr. O'CONNOR. Yes. I now propound a question: If a man believes in trade and friendliness and neighborliness with foreign nations but if he did not want to participate in war would the gentlewoman call such a person an isolationist?

Mrs. LUCE. Certainly not. I did not want to get into this war; the gentleman from Montana did not want to get into this war; even Franklin Roosevelt did not want to get into this war. If that was isolationism, then we were all isolationists and, so long as we hate war, will continue to be.

Mr. O'CONNOR. If the gentlewoman will permit me to continue with just one further observation: In the campaign of 1936 the President of the United States made this statement: "We are not isolationists; none of us are except insofar as war is concerned." Would you call him an isolationist at that time?

Mrs. LUCE. The man who sent the message of congratulation to Chamberlain at Munich was an isolationist—by my definition he had no American foreign policy. The man who said that America could stay out of this war and that he would keep this country out of this war in the face of the information

that was piled up in his own State Department—I refer you to Mr. Hull's own white paper on the subject of the inevitability of war with Japan—was an isolationist; he had no positive American foreign policy.

Mr. KEFAUVER. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. KEFAUVER. I remember with much interest the statement of the distinguished gentlewoman when she made her first speech on the floor of the House to the effect that Mr. Churchill and President Roosevelt could not agree on a foreign policy until they knew what was in the mind of Joseph Stalin.

Mrs. LUCE. I should think they should no longer be in doubt.

Mr. KEFAUVER. Has the gentlewoman any reason to believe now that they knew what was in the mind of Joseph Stalin, or if she knew what was on his mind which makes her think that they can now enter upon a foreign policy?

Mrs. LUCE. It was and is of the utmost importance that Mr. Roosevelt should have sought and should continue to seek what is in the mind of Mr. Stalin. I believe without any reasonable doubt he knows now what is in Stalin's mind. From here out he can proceed to act in the formulation of a policy toward Russia.

Mr. RANKIN. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. RANKIN. I understood the gentlewoman to say a few moments ago that Thomas Jefferson had a sound, definite foreign policy; is that correct?

Mrs. LUCE. That is correct.

Mr. RANKIN. Jefferson expressed that policy in his first inaugural address in these words:

Peace, commerce, and honest friendship with all nations; entangling alliances with none.

Is that what the gentlewoman alludes to?

Mrs. LUCE. That is quite correct. I do not wish any entangling alliances with any foreign country that are not alliances based on the physical security of the United States.

Mr. RANKIN. I am a Jeffersonian Democrat and, of course, I agree with his views as expressed in that historic address.

Mrs. LUCE. The British Navy is the one thing that made Jeffersonian internationalism, and later the Monroe Doctrine, possible.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. ANDERSON of New Mexico. I am trying to reconcile the gentlewoman's statement with reference to a military alliance with her answer to the gentleman from Mississippi when she said—

Mrs. LUCE. Does the gentleman consider that our relations with South America are entangling alliances? That our relations with Canada is an entangling alliance? Is that the gentleman's suggestion?

Mr. ANDERSON of New Mexico. I am trying to find out the type of alliance the

gentlewoman desires with Great Britain.

Mrs. LUCE. I would encourage the exploration of a nonaggression pact with Britain, which is our natural buffer state. Look, please, at the map; and, remember at the same time this is an air world we are living in, and that in future we shall need to surround ourselves with as wide a margin of physical protection as we can.

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman from New York yield me 5 minutes?

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, the distinguished gentlewoman from Connecticut [Mrs. LUCE], who always comes prepared with beautiful and devastating phrases based largely upon her own views and frequently unsupported by logic or facts, has just entertained the House with one of her clever addresses. Unfortunately, I did not know that she was to address us upon this occasion on the subject of our foreign policy and only came in the Chamber while she was in the midst of her address. I can only secure 5 minutes of time, but I do want to consume that 5 minutes, if I may, in correcting, if I can, some of the unjust criticisms and some of the illogical statements based upon conclusions which are not justified by the record.

It is easy for one who has not been a Member of the House until this session and who has never voted upon any measures coming up in the House during the past 10 years, like the distinguished gentlewoman, to be free to criticize all votes because she has no record to commend or to condemn. Had she been a Member of the House for the past 12 years, during that critical period through which we have been passing and had served upon the Foreign Affairs Committee in the House and had seen these various transactions unfold themselves, she would not have made some of the statements which she made here today.

I think she was rather unfair and manifested a spirit of extreme partisanship when she leveled her criticisms at the President of the United States, Franklin D. Roosevelt, and his great Secretary of State, the Honorable Cordell Hull. It is easy to criticize; it is difficult to construct. The question of a foreign policy is not a static thing, just as the domestic policy is not static. Domestic legislation and domestic policies depend upon conditions existing in a country at the time, and our foreign policy just as naturally rests upon conditions that confront us abroad. None of these great leaders of the past of whom she has spoken ever had an inflexible domestic or inflexible foreign policy. The foreign policy has always had to depend upon the conditions existing throughout the world at the time.

I resent the charge or the implication that Franklin D. Roosevelt and Cordell

Hull are responsible for this war. On the contrary, they have both done everything within their power to prevent it and I dare say that the historians of the years to come will not point, as the lady did today, the finger of guilt to them as being responsible for this great global war.

Mrs. LUCE. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. For a question. What has the lady on her mind?

Mrs. LUCE. I wish to know if the gentleman misunderstood me? Does he think that I blamed one man for the isolationism of the whole country? I do not think I blamed the President alone. The almost unanimous attitude of Americans for 40 years has been isolationist.

Mr. LUTHER A. JOHNSON. The lady does not blame the President alone then?

Mrs. LUCE. Definitely not.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. Yes.

Mr. BRADLEY of Pennsylvania. I wonder if the gentle lady is aware of the fact that only 27 Members of her own party voted for the lend-lease bill?

Mr. LUTHER A. JOHNSON. I thank the gentleman from Pennsylvania for that reminder and I was going to say something in that connection, which brings to my mind this: She condemned the neutrality legislation as being responsible for the war, but I call her attention to the fact that when we voted to repeal that neutrality legislation, when that became necessary by reason of conditions abroad it was the Members on her own side of the aisle who tried to defeat it and we had to depend on this side for the votes to do so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mrs. LUCE. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. Does the gentleman again misunderstand me? Does he think I was defending Republican isolationism? Because, if he does, I want to correct him. I am against and was against both the isolationists and interventionists—neither of which had a foreign policy—on both sides of this aisle.

Mr. LUTHER A. JOHNSON. The lady not having been here, we do not know how she would have voted. It is very easy for her to criticize now the votes of others who were here when we voted upon many measures affecting our foreign policy.

Talking about isolationism, when did isolationism begin? It was back in 1920 after that great leader of ours, Woodrow Wilson, left the White House, and Harding and the Republican regime came into power. Aye, it began even before that, when the Republicans in the Senate, aided by a few isolationist Democrats, turned down Wilson's request that we become members of the League of Nations and the World Court, and I doubt very much today whether the world would be at war if this country had not turned its back on Wilson's leadership and his plan to preserve world

peace. I want to remind the gentlewoman that in my opinion one of the reasons responsible for this war and which helped to produce it was the disarmament conference under the Harding administration when the other countries of the earth scrapped their blueprints and we scrapped our ships and found ourselves without a Navy sufficiently large to make the Axis Powers respect us. That was not caused by Franklin D. Roosevelt or Cordell Hull.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the distinguished minority leader.

Mr. MARTIN of Massachusetts. To be accurate, historically accurate, what does the gentleman have to say about this last World War having been started by the peace of Versailles? That was framed by President Wilson. There is where it started.

Mr. LUTHER A. JOHNSON. No; I have no such delusion, I do not think that this war started by the Treaty of Versailles. That is the reason Hitler gives, but I do not accept his alibi as the cause of this war.

I want to talk a little about this neutrality legislation because I do know something about the history of that legislation. I was chairman of the subcommittee that framed the first bill upon that subject and I know the attitude of Secretary Hull and I think I know the attitude of President Roosevelt with reference to it. It was not recommended by the President to the Congress or submitted to the Congress by him. The Congress, and not the President, initiated it and passed it without any nod from the White House. I do know that Secretary Hull was against it, and there was considerable doubt at the time whether or not the bill would be signed by the President after we passed it.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I think I had better not yield to anybody now. I wanted to talk a little more about this neutrality legislation, because that has been injected into the debate. Inadvertently I said campaign instead of debate, and my friends on the Republican side, by their laughter and applause, indicate that they recognize the speech just made by the gentlewoman from Connecticut as being a part of a political campaign, and it was evidently made for that purpose.

Mrs. LUCE. Mr. Chairman, will the gentleman yield for a question?

Mr. LUTHER A. JOHNSON. At the gentlewoman's insistence.

Mrs. LUCE. Will the gentleman, for the remainder of his time describe quite clearly and simply what he thinks the foreign policy of the President of the United States is?

Mr. LUTHER A. JOHNSON. I am not going to be diverted by the lady's telling me what to talk about. I am going to choose my own subject, and talk in my own time. On some other occasion when my time is not consumed in answering a speech of the gentlewoman, I will be glad to discuss at length the foreign policy of this administration.

What I was starting to say was that the neutrality legislation was conceived as being legislation which was designed to keep us out of war and keep other countries from going to war. That was the whole inspiration on which it was based.

As I said a moment ago, I was one of those who so believed and supported it. I believed that we should set an example for the rest of the world by refusing to sell arms so that they might follow our example and we might thereby encourage peace and prevent war. But I am convinced now, and I say to the distinguished gentleman from New York [Mr. WADSWORTH] who was here a moment ago, and who led the fight against the neutrality legislation, that he was right and I was wrong. It is not a popular thing to admit that you are wrong, but in the light of subsequent history I want to say that that legislation, in my judgment encouraged rather than discouraged the Axis Powers in bringing on the war in which we are now engaged. They interpreted it as a license from us—that they could rob, murder, and pillage, and attack the rest of the world and we would do nothing about it. And that after they destroyed the rest of the world they could then destroy us. Republicans and Democrats both voted for it. It was enacted by Congress not at the instigation of the President or his Secretary of State.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I know the gentleman has an intimate knowledge of the neutrality legislation. The gentleman will recall that in the fall of 1939, after war had started, we were called into special session to change our neutrality law.

Mr. LUTHER A. JOHNSON. I remember the Vorys amendment, too.

Mr. VORYS of Ohio. The arms embargo repeal was involved. Let me remind the gentleman what the President's attitude was on September 21, 1939. In his message he said:

The step I recommend is to put this country back on the solid footing of real and traditional neutrality.

Mr. LUTHER A. JOHNSON. The gentleman can put it in the RECORD. I am not going to take all my time letting the gentleman read the RECORD. I decline to yield further.

Mr. VORYS of Ohio. He said he was for neutrality.

Mr. LUTHER A. JOHNSON. By traditional neutrality, the President meant the kind that we had before we passed the neutrality law.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I wonder if the gentleman recalls the vote on the Republican

side on the repeal of the arms embargo when we came back in September 1939 for a vote on that issue.

Mr. LUTHER A. JOHNSON. Yes; I remember it. I was in there fighting for its repeal and a large majority of the Republicans voted against the repeal of the arms embargo, as they did against all bills to modify or repeal any part of the neutrality law. Many Democrats and many Republicans may have made a mistake in enacting the neutrality law back in 1935, but many more Republicans made a greater mistake when they voted against its modification or repeal when the storm clouds were breaking over Europe. While it was a mistake to pass the neutrality law in 1935, if we had repealed it or modified it before the European war began, it would have done much to have averted the present global war. Those who prevented its repeal or modification before the war began erred far more grievously than those who originally enacted it.

On June 30, 1939, 2 months to a day before Germany invaded Poland, the House voted on the repeal of the arms embargo of the neutrality law and failed to repeal it because an overwhelming majority of the Republicans voted against its repeal.

The President felt and Secretary of State Cordell Hull felt that if we could repeal that arms embargo before the war started in Europe it would be notice to Adolf Hitler and to the Axis Powers that these countries who were attacked could secure arms from us, and Congress was urged by the President so to do.

We had that session here which I well remember. Unfortunately—I say unfortunately, I think tragically unfortunately—we failed to repeal the arms embargo in June 1939, and on September 1 Hitler invaded Poland and the World War began. I have always felt that if the Congress of the United States had at that historic session on June 30 repealed the arms embargo it would have given notice to Adolf Hitler and to his cohorts that we were not going to hold ourselves aloof, and that countries that were attacked could come here and get munitions with which to defend themselves, and Hitler might not have invaded Poland, and the present war would have been averted. The special session of Congress, after the invasion of Poland, did repeal the arms embargo, but it was too late to prevent the beginning of hostilities in Europe.

Mr. Chairman, I say in the light of history, in the light of what has happened in the last 10 years, in the light of the history of our country and its relations with other countries, no one familiar with the facts and with the events as they have happened can criticize the President of the United States as not having done all that he could to keep us out of war and to help win it after we were attacked.

I do not believe in all of the domestic policies of Franklin D. Roosevelt, and have not supported all of his domestic policies with my vote, and on his domestic policies I think he has made mistakes; but I say to you, and this is what I have said many times elsewhere, that

on foreign policies throughout this crisis, President Roosevelt and Secretary Hull have been right 100 percent, and the verdict of history will so record.

REPUBLICAN FOREIGN POLICY

Mr. WEISS. Mr. Chairman, the distinguished gentlewoman from Connecticut, in a well-prepared address and in her usual suave manner, opened the 1944 Presidential campaign with a somewhat related rear attack upon the President of the United States. She found considerable criticism with his foreign policy, or his lack of foreign policy.

But somehow or other the leading newspapers of this Nation—many of which opposed the President on the domestic front—supported his foreign policy. Our distinguished colleague from New York, JAMES W. WADSWORTH, a Republican, but an outstanding American, has been one of the greatest supporters of the President's foreign policy. Certainly President Franklin Delano Roosevelt pledged to all Americans that he would make every effort to keep America out of war. As early as 1938, the President warned America of totalitarian dangers. In 1939 he again warned us of the danger of Germany and Japan. He was called a war monger and an interventionist by Republicans and by some of the press of the Nation. Reference to the CONGRESSIONAL RECORD will clearly establish to the satisfaction of the gentlewoman from Connecticut who favored and who opposed preparedness. Apparently in 1939 the gentlewoman from Connecticut must have been in China or somewhere on one of her many international sojourns—unaware of the solid isolationism of her own Republican Party.

Let us look at the record of both major parties since Congress sensed the danger of impeding war. Let us see how the Democrats and the Republicans voted to prepare America:

June 30, 1939: House Joint Resolution 306, Neutrality Act of 1939, passed the House 201 to 187. One hundred and seventy-five Republicans opposed this measure.

September 7, 1940: House Resolution 10132, a bill to protect the integrity and institutions of the United States through a system of selective compulsory military training and service—selective service—passed the House 263 to 149. One hundred and thirty Republicans opposed this measure.

February 8, 1941: House Resolution 1776, a bill to further promote the defense of the United States—Lend-Lease—passed the House 260 to 165. On this measure, considered the most important of our entire foreign policy, 137 Republicans voted in opposition.

October 17, 1941: House Joint Resolution 237, a joint resolution to repeal section 6 of the Neutrality Act by permitting arming of merchant ships, passed the House 259 to 138. One hundred and twenty-eight members of the Republican Party opposed this measure.

November 13, 1941: House Joint Resolution 237, a joint resolution to repeal the Neutrality Act of 1939, passed 212 to 194. One hundred and seventy-six Republicans opposed this important

measure less than a month before Pearl Harbor.

In view of this conclusive record of Republican isolationism, the very partisan address by the gentlewoman from Connecticut, opening the 1944 Presidential campaign, sounds like some more "globaloney."

Let me remind the charming lady from Connecticut that when she "aired" her first "supremacy of the air" address, she stated then that we—Great Britain and the United States—should not formulate or embark on any foreign policy until we knew what was on Joe Stalin's mind, and in that premise she was absolutely correct. Let's move slowly on any new foreign policy. Let us try to make it as flexible as possible, depending on the day-by-day turn of world events.

The gentlewoman's endorsement of the Fulbright resolution to which I heartily subscribe was the sole bright spot of an otherwise ill-timed address.

For 4 years, I was the quarterback of the football team of my university and real generalship demanding instant decisions necessitated by the game's circumstances meant the difference between victory and defeat. It is easy to find fault with the plays called or strategy used by the quarterback the day after, or the following Monday morning by the sideline all-American. In my opinion, the gentlewoman's criticism of the President's foreign policy sounded like "Monday morning quarterbacking."

The gentlewoman from Connecticut would certainly be making a greater contribution to the war effort if she and the Republican Party which she represents, would rally behind one of the greatest leaders of all time comparable to Washington, Jefferson, Lincoln, and Wilson; yes, President Franklin Delano Roosevelt, the Commander in Chief of all Americans—Republicans as well as Democrats.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I am sure that the gentlewoman from Connecticut [Mrs. LUCE] will feel indebted to the distinguished gentleman from Texas [Mr. LUTHER A. JOHNSON] because he has confirmed her thesis that the President has no foreign policy, the gentleman from Texas having stated that the foreign policy of this country during the last 8 or 10 years had to change as conditions changed. I take it that the policy of opportunism as enunciated by the gentleman from Texas [Mr. LUTHER A. JOHNSON] is still the foreign policy of this Government, changeable, variable, turning with each wind of public opinion, and that we still have no foreign policy. The symbol of such a policy should be represented, not by the American eagle, but by a weathervane. I am glad, as I say, that the gentleman from Texas confirms the gentlewoman from Connecticut.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I wish to make some comment with refer-

ence to an item which is carried in the bill on page 7, and which has to do with Puerto Rico, and after all of this discussion on international affairs, perhaps we can go back to one of the milk bottles that is on our own doorstep, from a continental standpoint. On page 7 of the bill we have an item of \$7,000,000 which the committee has recommended that we provide, with which to carry on the Federal Works Administration program in Puerto Rico and the Virgin Islands, during the period beginning July 1, 1943, and ending with November 30, 1943.

A committee from this House, under a resolution of instructions passed by the House, has just returned from Puerto Rico, and that committee will in due course file, for the benefit of the House Members and the interested public, a committee report. Of course, I shall not at this time attempt to give a report for the committee, but my only purpose in coming before you at this moment is to discuss rather briefly and in a preliminary manner, this item of \$7,000,000 and the course that this Congress may have to follow on this particular part of our relief program, as related to those two areas, beginning next December 1, because this appropriation expires as of November 30, 1943. You gentlemen may wonder how the \$7,000,000 got into the bill. The Puerto Ricans asked for \$50,000,000, \$25,000,000 to be spent during the coming fiscal year, beginning July 1 next, and \$25,000,000 to be spent during the following fiscal year. That request came before the Insular Affairs Committee of the House at about the time we were prepared to go to Puerto Rico for this investigation, and it was the judgment of the committee that the \$50,000,000 should not be provided before the investigation was made. So there came to that committee a recommendation for \$8,000,000, to be used during the coming 5 months, and to prevent the destruction, we will say, of the Public Works Administration in Puerto Rico and the Virgin Islands.

I understand there was a division in the Committee on Appropriations with respect to whether this \$7,000,000 should be left in the bill, so I want to give a few thoughts on the whole program.

Puerto Rico has about 1,800,000 people who came under our control after the Spanish-American War. The Virgin Islands are some 1 or 2 hours travel distance from Puerto Rico by air. We purchased the Virgin Islands from Denmark in 1917 as a matter of national defense. In those 3 islands there are about 26,000 or 27,000 people. On 1 island there are 12,000 or 13,000 people, on another about 700, and on another about 13,000. It is my frank, blunt opinion that our program as related to the Virgin Islands has operated to turn the entire economy of those islands into a ball of wax. When I say we, I mean the Congress and the administration. How that is to "unball" and put back into order I do not know. The Virgin Islands are included in this bill, and in this \$7,000,000 item. I make that observation because unfortunately the amount that is to go to the Virgin Islands is not segregated, and in my

opinion the Virgin Islands is in a different world to that of Puerto Rico, from the standpoint of nature, from the standpoint of production, and from the standpoint of present economic conditions. Puerto Rico has a budget which is divided into three general heads—what is called the general fund, and the special funds, and the trust funds. The total revenue that will flow in under all of these funds during the coming fiscal year will perhaps approximate \$70,000,000 or maybe \$75,000,000. There is a population as I say of about 1,800,000 people. This side of Puerto Rico, and largely under our jurisdiction is the country of Haiti, with about 4,000,000, with a budget which will probably run \$5,500,000, during the coming fiscal year, maybe \$6,000,000. Note the comparison there—4,000,000 people with a \$6,000,000 budget, and 1,800,000 people with a \$75,000,000 to \$80,000,000 budget. What are we doing to Puerto Rico when we supplement budgets like that with \$7,000,000 for 5 months or \$25,000,000 for a year, or with an average, say, of about \$30,000,000 for the past 10 years?

What have we done to the Puerto Rican people? After I have read the investigating committee report I will have something to say about that. Do we wish to give the Puerto Rican people this \$7,000,000, and through this debate indicate to them that at the end of this 5-month period they may not receive any more from us while present conditions continue; or do we wish to leave the record in such shape as to lead the Puerto Rican people to believe that when this \$7,000,000 is exhausted and the 5 months have expired they will receive another \$18,000,000 to carry them through the remaining part of the fiscal year and which, added to this \$7,000,000, will give them the \$25,000,000 they asked for before the committee went to Puerto Rico?

Those are basic questions with which we should deal and about which we may wish to say something in this debate in the final disposition of this \$7,000,000.

At the present time, as the Appropriations Committee, the Naval Affairs Committee, and the Military Affairs Committee particularly know, the Federal Government is releasing into Puerto Rico an enormous flow of dollars. Do you want to make your appropriations for public works after the Army and Navy cease to turn these many million dollars loose, or do you wish to supplement this fantastic budget with the Federal expenditures by the Army, the Navy, the Marine Corps, and the Coast Guard, and, in addition, give appropriations such as this bill carries? That is something for us to think about.

Here is another thing that enters into this proposition: As many of you no doubt know, the distillery industry in this country has ceased to manufacture intoxicating liquors. That means to say that insofar as boats are made available the West Indies—Cuba, Puerto Rico, Haiti, Santo Domingo—and some of the other countries down there will have access to the intoxicating-liquor market in this country up to their capacity to produce. Puerto Rico is in an unusually

favorable position to produce rum and ship it to this country. The boys who like rum tell me it is a pretty good product. As the rum flows out of Puerto Rico it creates an export tax. For the month of May, I was informed this tax exceeded \$2,000,000. Mr. Tugwell estimated it would probably be \$10,000,000 to \$12,000,000 for the coming fiscal year, and the largest rum manufacturer down there, who produces a product under the name of Bicardi, told the committee that with favorable shipping he thought it might reach \$25,000,000 a year. That is a very unusual and a very peculiar position in which Puerto Rico finds herself at this particular moment from a revenue standpoint. Do we want to go further and supplement the income of Puerto Rico with appropriations of this nature, with Puerto Rico benefiting by the heavy flow of export taxes on rum? There is something else we must think about and that is the increased income from new taxes.

You have down there four or five basic crops—sugarcane, coffee, tobacco, coconuts, and rice. Every man who is attempting to farm in Puerto Rico is competing with the Federal Government through the W. P. A., the Army and the Navy, the Marine Corps, and these other agencies, in an effort to obtain labor to carry on his agricultural operations. That is something for us to think about.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CANNON of Missouri. The official report shows there are 250,000 unemployed employables in Puerto Rico today; that of those 250,000 the W. P. A. is at this time employing 41,000, and this appropriation will permit the continued employment of that number. So, even subtracting the 41,000 provided for by the amount in this bill, there are still 209,000 unemployed employables in the island who are available for employment by any farmer who wants farm labor.

It was further shown that W. P. A. refuses to employ anyone who can get a job anywhere else. If any man is offered a job, and refuses to take it, they promptly fire him from W. P. A. employment. The W. P. A. officials took up the matter with the industries and asked them how many men of those on W. P. A. rolls they could use. They told them they could use 100—100 out of 41,000. So, I am puzzled by the gentleman's statement that the employment of these 41,000 is drawing labor from private industry, when there are 209,000 who cannot get any kind of a job at all and, in addition, W. P. A. offers the entire 41,000 on its rolls to local industry when needed.

Mr. CRAWFORD. Mr. Chairman, I certainly am not going to dispute what the distinguished chairman of the Committee on Appropriations has just said, but I call attention to the fact that he is now speaking about the official report which has been given to him. In other words, these figures he is giving are not his figures, as I understand him.

Mr. CANNON of Missouri. No; they are not my figures. They are official figures compiled on the basis of a local census. I wondered if they agreed with the gentleman's figures. Did the gen-

tleman get any figures down there which indicated that the official figures were incorrect or inaccurate? If so, will he let us have that evidence?

Mr. CRAWFORD. Our report, practically all of which was taken in the form of sworn testimony, will not squarely support the report which was given to our committee before we went down there and which undoubtedly has been given to the Committee on Appropriations. Conditions have radically changed with the improved shipping situation.

Mr. CANNON of Missouri. Does the gentleman say there is no unemployment on the islands? And what does he say to the statement that W. P. A. asked local industry to estimate how many men they could use, and they said they could use 100 men—100 out of 250,000.

Mr. CRAWFORD. I would not say there is no unemployment there. I would say there is unemployment there, and I will make the further statement that as long as we pour these millions of dollars into this island there will be more unemployment, because the Federal dollars which come in siphon people down from the hills into the cities and reduce them to a life in as nasty and degraded a slum area as you are likely to find anywhere, with tuberculosis, gonorrhea, and syphilis and all that goes along with it. They come down there from the hills and squat and live as best they can.

And knowing they can get a few relief dollars, why, certainly, many refuse to stay up in the hills and work, and this drift that I refer to runs all through the operation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. I yield to the gentleman from Michigan 5 additional minutes.

Mr. CRAWFORD. Of course, we can rely on the record. The record will show, and there are other members of the committee here who were down there with me and who are on the floor now, who can give you the facts about this situation. We went into the facts, and the record will show that men are taken away from sugar and coffee plantations for public-works projects. I went out into the country just to ascertain for myself, and I found that at a 1,500-foot elevation there were about 340 acres of land, with 28 coffee plantation houses on it. I talked to a man there and asked him why men were not working on it, and he said they are working down in the valley on a works project; working on public roads that you came over awhile ago. I saw them at work but I did not know what specific project they were working on or what farm they were from.

You can go down there now and study the sugarcane operation and you will find sugarcane is left in the field uncut, and at the end of next month, July 1943, that will be true, and it is left there because the Work Projects went in there and absorbed the sugarcane workers, took them away from the particular fields.

There is no question about that. I made it my business to go out and visit on some of the farms and plantations

throughout the country to see them with my own eyes, so I do not have to take any official record.

Of course, we have got the testimony from the farmers; their testimony is in the record, and the record will speak for itself.

That does not mean to say that the farms will absorb all these people, but here is the fundamental point I am raising, which I fear we are about to overlook. Do we at this time, with reference to this \$7,000,000, wish to further a plan of putting more revenue into the Puerto Rican hands and thus encourage additional waste and graft and extravagance and experimentation, or do we at this time, by serving warning that we will leave the \$7,000,000 in the bill, but that, beginning in December next, we are going to insist that they use some of their own funds. In other words, we will leave the \$7,000,000 in the bill, but when the committee has completed its report and when we come back here next fall, will we have to revamp the whole program, or because of the few remarks that we are making here today, give them a warning in questioning this proposal, that we are looking into a new policy with reference to Puerto Rico which we have never had in mind prior to today.

I am worried more about the domestic situation; there are others who can worry about international affairs, but I am for protecting the United States and its Territories, organized or unorganized, first, last, and all the time, and take care of the balance of the world thereafter if we feel able to do so.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. I would like to ask the gentleman—and I am asking purely for information. I have the highest regard for the gentleman. He has just returned from the island, and we want to get all the facts we can. I would like to ask him two questions. He mentioned graft just now. Does he charge the W. P. A. down there with graft?

Mr. CRAWFORD. I charge that in this whole operation, without any hesitation whatsoever, that in the administration of these amounts, the Congress, through the support that goes to Puerto Rico and to the insular government in Puerto Rico in connection with this whole problem, is a party to the graft that runs through the entire operation financed by Federal and insular funds for all activities.

Mr. CANNON of Missouri. Just a second. May I ask if the gentleman will elaborate, in the extension of his remarks, and explain in what specific manner he says graft exists. That is a serious charge and should be itemized. We cannot lightly charge General Fleming's administration of graft without being able to prove it. It is the gentleman's public duty to tell what graft he found, if any.

Mr. CRAWFORD. No; we will let the committee report cover that, along with the testimony presented.

Mr. CANNON of Missouri. May I ask the gentleman to enlarge on it? He surely has not made so grave an indictment without being able to prove it.

Mr. CRAWFORD. Let the official record and report speak for itself. I am willing to stand on that.

Mr. CANNON of Missouri. But as the gentleman knows it does not speak for itself. It does not charge graft, but the gentleman does. If the gentleman will not answer that question, may I ask this one: Is the gentleman in favor of the appropriation of the \$7,000,000 or does he oppose it?

Mr. CRAWFORD. At the present time?

Mr. CANNON of Missouri. Yes; at this time in this bill.

Mr. CRAWFORD. I am in favor of it on this condition: That if this debate serves warning on Puerto Rico that from here on we are going to expect them to take funds from their own treasury; yes.

Mr. CANNON of Missouri. I am glad to hear the gentleman say that he favors the appropriation of the \$7,000,000 as provided by the bill.

Mr. CRAWFORD. If they are going to take warning from this that we are going to expect them to help support themselves as a part of their own domestic economy, I am willing to let it go through, but otherwise not.

Mr. CANNON of Missouri. That is what I wanted to know—if the gentleman, after visiting the island, is willing to support the \$7,000,000 until the Committee on Insular Affairs, of which he is a member, has presented its report on permanent legislation.

Mr. CRAWFORD. I am bringing this up for discussion at this time to get the House thinking on the whole subject.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CHURCH. Does the gentleman really believe in his own heart that any substantial good can be given to Puerto Rico with this money as long as the political philosophy of the present administration down there, meaning Tugwell's philosophy if you please, persists? In his own heart does he believe it?

Mr. CRAWFORD. I am not going to make a political discussion out of this matter. What I am dealing with here is how far do we propose to subsidize the Puerto Rican treasury in addition to the great military expenditures we are now making, along with the enormous flow of income which is coming into the insular treasury by reason of these situations to which I have referred.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WEISS. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD following the address of the gentleman from Texas [Mr. LUTHER A. JOHNSON].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, I have listened with the greatest interest to the remarks of my distinguished colleague from Michigan, for whom I have the greatest respect. It has been my honor and pleasure to serve as chairman of the subcommittee of the Committee on Insular Affairs which recently went to Puerto Rico to investigate conditions there and I want to take this opportunity to thank every member of that subcommittee for the splendid cooperation they gave in every manner. I think if there has ever been a committee that worked without any partisan feeling it has been this committee. We did not know whether we were Republicans or Democrats; we went down there and tried to do our duty as Members of this House to get all of the pertinent information as to what was going on there in order that we might come back and in due time make a report and give Congress the real facts so that this Congress might exercise its judgment as to what is the best legislation to pass with reference to Puerto Rico and its effect upon the United States as well as Puerto Rico. I wish I had a longer period of time in which to outline the situation.

With reference to the \$7,000,000 item which is before us today I think we ought to leave that in the bill as it is; I think we ought to pass that item, and I will tell you why: There has been some question as to whether or not funds were improperly used or whether there was graft exercised in their use. I think the distinguished gentleman from Michigan who just spoke will agree with me that there was no evidence of any graft so far as the W. P. A. officials were concerned. I think sincerely that Members on both sides of this subcommittee had the feeling that of all the agencies, W. P. A. as represented by General Fleming, has done a good job there.

On the question as to the necessity for its continuance beyond this 5-month period I will in turn agree with the distinguished gentleman from Michigan that I was against giving them \$50,000,000 before we went down there, and upon returning I am still of the same opinion.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. TABER. Are we not sticking our neck out to give them \$7,000,000 at this time when they have such a large island revenue, from \$75,000,000 to \$80,000,000—a revenue higher per capita than that of any State in the United States?

Mr. BELL. On the surface that would appear to be so, but if one studies and analyzes the situation one will find that the revenues for the months to come have been allocated to certain plants and projects. W. P. A. down there is finishing up certain projects which are necessary to the war effort, some of them very necessary.

Mr. TABER. But they are more important in that they take help away from the farmers and take help from the private employer, destroying the economy of the island.

Mr. BELL. I am inclined to believe that the continuation of this program in its limited form for another 5 months is a matter of winding it up down there in an orderly manner and will not interfere with the economy of the island. I feel just as the gentleman does that we do not want to spend any money down there that is going to interfere with private industry. I am just as much opposed to that as the gentleman is, but I do feel that with respect to these projects which have been started we as a Congress ought to permit them to be finished in an orderly manner and that is what this \$7,000,000 appropriation is for, to conclude the thing in an orderly manner and to wind up an agency which has been doing that work down there.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman.

Mr. MARCANTONIO. Is it not a fact that the Insular Legislature in Puerto Rico at its last session passed one of the stiffest tax bills in the history of the island?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, the food crisis is so real, so serious, that we of the Congress must act and act promptly. We face an inevitable food shortage due mainly to the mishandling of our food program. There simply will not be enough food for our men in uniform, our allies, the people whom we may rescue from Nazi rule, and our own people at home.

It is too late to increase food production for this year. The administration has failed to heed the repeated warning of an impending food shortage. Before we entered this war representatives of agriculture appealed to the President to regard food as important as planes, ships, and guns, and to encourage maximum food production. Not only was nothing done to give us more food but the policies adopted restricted and discouraged production and brought about the present alarming situation. Forcing down prices by regulation discourages production and depresses the morale among producers. When the supply of any product is decreased by low-price ceilings, prices are forced up by the law of supply and demand, creating unlimited black markets.

The attempt to roll back butter prices under a subsidy has brought about the sale of so much butter to Government agencies that cold-storage warehouses are packed to overflowing, so the supply of butter for the public has been distinctly cut by the roll-back method.

Today, when there is a shortage on meat, four small packing plants in my congressional district are closed because they cannot operate under the O. P. A. price-ceiling regulation. Feeders cannot get corn for their cattle. Poultry raisers cannot get feed for their baby chicks. Proteins are difficult to procure. Bakeries are crying for corn sirup, corn products, and starch. Policies now being followed have brought about the

slaughtering of milk cows that cannot be replaced in 3 years, and a milk famine is predicted in our larger cities this coming winter.

Our food supply must not be manipulated by politicians for the purpose of winning votes. Food production and distribution should be placed in the control of one competent individual whose sole purpose will be to give the American people more food at fair prices. He must know food production and distributing problems, and must be a practical man free from the restrictions and interference of New Deal theorists, and he must be blanketed with all-out authority to do the job. The manipulations of our impractical bureaucrats, who know nothing about our food problem, are making the situation worse. We need an immediate house cleaning to bring order out of chaos.

The people are looking to Congress to deal with this food problem vigorously and immediately. Food is a basic war weapon. The effective solution of the food problem will have an important bearing upon the outcome of the war and upon the health and morale of the people of this country. The hour is growing late, and we have no time to lose.

H. J. Haskell has written a book entitled "The New Deal in Old Rome." Facts are recorded in history back in the year 301. Late in the third century, the anarchy was ended by an able soldier and administrator; Diocletian, with army backing, became the dictator, reorganized the government, and stabilized the currency on what he believed was a sound basis. Unfortunately, like some modern rulers facing a similar problem, he overvalued his new monetary unit. Prices promptly responded with a violent rise. Diocletian recognized the suffering that resulted, but naturally did not understand the cause. In 301, he issued his famous edict setting maximum prices and wages. The act had the death penalty for evasion. It read like modern orders.

The civil service had so expanded that a contemporary wrote, with disgusted exaggeration, that half the men in the nation were on the government pay roll. There were plenty of inspectors, but this early attempt at price fixing failed. It is recorded that businessmen closed their shops, that many articles of commerce disappeared, and that food riots resulted.

A few years later, we read the obituary of the act. For merest trifles blood was shed, and out of fear nothing was offered for sale, and the scarcity grew much worse until the law was repealed from mere necessity.

This, history records as of the year 301. It could be 1943.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, much has been said in the debate on this bill on the question of subsidies and also about the probable amount of meat we have in the United States which is avail-

able for our civilian population, our armed forces, and for lend-lease. The gentleman from Texas [Mr. KLEBERG] in his lengthy and very interesting address indicates that we have sufficient meat on hand. Others who have spoken on the subject also indicate that we have plenty of meat. I wish to enter the debate from a different viewpoint and on behalf of the farmers who feed cattle, farmers who for half a century have been in the livestock-feeding business, farmers and producers who have furnished to us millions upon millions of pounds of beef and pork. I wish to differ from those who have spoken so often on the subject of supply. From what they have said, it would seem there is nothing to the meat problem except transportation and distribution. Of course, that has much to do with our farm problem. Let me give you the other side of the picture. Let me tell you the side of the farmer who feeds cattle and finishes them for the market. There is a tremendous expense for feed and care of these cattle before they are finished. The price these feeders get for this finished meat today is too low to allow them to stay in business. Under present conditions they cannot get even the cost of production. They are operating at a loss. The spread must be wider so far as finished beef is concerned. This subsidy and roll-back program is affecting these great producers to such an extent that I fear many of them are being forced to quit business.

Recently I called attention of this House to the case of one feeder in my district. This farmer has been in the feeding business for 25 years. He has always had around 1,000 head of cattle on feed in his yards. Today he probably has not one critter in the yards. He just cannot operate under present conditions. He just has to quit. On yesterday I presented to the House the resolution of 700 feeders and producers who met at Fremont, Nebr., indicating that they cannot operate nor can they continue in the feeding business any longer unless help comes to them at once. I presented to you a telegram from 97 feeders in Cedar County, one of the 24 counties in my district, who say they, too, fear a deep decrease in meat production unless some stabilized program is adopted at once. I have presented to you the reports from many other feeders in my district who have the same thing to tell you. They, too, are pleading for some immediate help. They do not fear any overproduction of meat. They have a different story to tell about meat supplies as compared to the stories told here about the tremendous stocks of available meat. These feeders are patriotic. They know that food is needed to win this war and they are anxious to produce it. They cannot do it under the roll-back and subsidy program. They want a stabilized program which will permit them to stay in business. Otherwise you are going to allow the destruction of a great meat-producing business upon which we must depend for badly needed food. These great producers who always take great chances in this business want to continue to furnish food.

I call your attention to the fact that the House Agriculture Committee has passed out a bill which will help the situation. It is known as the Fulmer bill. This legislation should pass before we recess here because it will help the farmers and producers of meat. It will help these feeders who are threatened with destruction. Also we will have on tomorrow the Wolcott amendment to H. R. 2869 which would eliminate this subsidy and roll-back program. I believe this measure, too, would help the producers of meat. I urge quick consideration of these measures because they represent the only pieces of legislation we now have and which will answer the demands of the producers who are so much concerned over the new price and food programs which have been inaugurated.

(Mr. STEFAN asked and was given permission to revise and extend his own remarks in the Record.)

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks in the Record.)

Mr. MURRAY of Wisconsin. Mr. Chairman, with all our name calling in connection with the discussion of world affairs I am wondering where our statesmen were when Mussolini was boiling the Ethiopians in oil and I wonder who furnished Mussolini the oil to burn the Ethiopians in? There was not too much protest from anybody about that procedure. One's hindsight is so much better than one's foresight.

In regard to this meat situation it does not do you or I or anyone else any particular good to get up here day after day and continually repeat criticism of the O. P. A., without a constructive suggestion to offer. Most everyone is familiar with the facts and the causes of this meat shortage. The question is, Is there anything we can do about it? What are we going to do about it?

The gentleman from South Carolina [Mr. FULMER] chairman of the Agricultural Committee, has a bill which has passed through that committee, a bill that in his opinion—and a large majority of the committee members think the same way—will help correct this situation as far as meat is concerned. I want to say that there are absolutely no politics in it. If anyone wants to make politics out of it, they will have to accept the responsibility. The gentleman from South Carolina [Mr. FULMER] has lived up to his responsibility. He has the bill out of the committee and it is now up to the Rules Committee. The Rules Committee can now assume their responsibility, and so can the other individuals and bodies whose approval is needed to translate this legislation into law.

I maintain there is no use to continually blame the O. P. A. and then do nothing to correct the situation in a legislative way. The Fulmer bill is an attempt to take the confusion out of food production and place the responsibility in the hands of one man and one food agency. The Fulmer bill is a constructive approach to the war food program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, I am satisfied that if we continue this W. P. A. proposition down in Puerto Rico it means the absolute and complete destruction of all private employment in those islands. I have listened to statements by different members of the Subcommittee on Insular Affairs who went down there. I am satisfied that those people in charge of the government of that Island are out to wreck the economy of that island and unless we stand up here and limit the operations of the W. P. A. down there so that they cannot continue to break down private employment, it is gone and there is no hope for its recovery.

Mr. CHURCH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. CHURCH. Speaking about the policy of government down there, let me read from this: American Economic Review, volume XXII, No. 1, supplement March 1932, papers and proceedings of the forty-fourth annual meeting of the American Economic Association. Beginning on page 75 there is an article under the heading, The principle of planning and the institute of laissez faire, by R. G. Tugwell, Columbia University. On page 89 he states:

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. That is not an overstatement for the sake of emphasis. It is literally meant.

Then on page 86, in the footnote, he states:

When industry is governed and government is industry, the dual conflict deepest in our modern institutions will be abated.

That was Dr. Tugwell's philosophy, apparently as stated by him at that time.

Mr. TABER. That is just the situation that he is trying to create in Puerto Rico. He is now spending \$2,000,000 of the money out of their own treasury to build a glass factory. The entire outfit is run without any efficiency or economy of business stability and I do not believe that I am going to neglect my duty here on the floor to offer an amendment to clear up that situation in order to try to make them do the things that they ought to do.

I have not the time to go into details. I have here in my hand an example of the way they perform. The Food Administration, as I understand it, sent down there from \$25,000,000 to \$30,000,000 worth of food in the last year. How have they treated it? I have here in my hand the report indicating that the Food Administration has sent down there a great lot of red kidney beans and white beans that are now rationed by our Government, through the Office of Price Administration, and that they have allowed them to spoil rather than distribute them to the people. If there is trouble, it is the trouble of incompetent and improper administration, it is not the trouble of not having enough money.

If we continue this W. P. A. in Puerto Rico, we are placing a curse upon the people of Puerto Rico from which it will take generations to recover. I hope the House will not be a party to this degenerate performance.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

INDEPENDENT EXECUTIVE AGENCIES CIVIL SERVICE COMMISSION

Salaries and expenses, Civil Service Commission: For an additional amount for salaries and expenses, Civil Service Commission, fiscal year 1944, including the objects specified under this head in the Independent Offices Appropriation Act, 1944, and including an additional \$5,000 for employment of expert examiners, and actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses of members of the Board of Legal Examiners serving as such while away from their homes, without other compensation from the United States, \$81,600: *Provided*, That the availability of this appropriation for the fiscal year 1944 shall be contingent upon the enactment into law of the bill (H. R. 1025) entitled "An act to amend section 1753 of the Revised Statutes to create a Board of Legal Examiners in the Civil Service Commission, and for other purposes."

Mr. TABER. Mr. Chairman, I make the point of order against the paragraph that it is legislation on an appropriation bill and is an appropriation not authorized by law. There is absolutely no legislation authorizing this appropriation.

Mr. CANNON of Missouri. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk read as follows:

Printing and binding, Civil Service Commission: For an additional amount for printing and binding, Civil Service Commission, fiscal year 1944, including the objects specified under this head in the Independent Offices Appropriation Act, 1944, \$5,000: *Provided*, That the availability of this appropriation for the fiscal year 1944 shall be contingent upon the enactment into law of the bill (H. R. 1025) entitled "An act to amend section 1753 of the Revised Statutes to create a Board of Legal Examiners in the Civil Service Commission, and for other purposes."

Mr. TABER. Mr. Chairman, I make the same point of order against that paragraph.

Mr. CANNON of Missouri. The point of order is conceded, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk read as follows:

Work relief in Puerto Rico and the Virgin Islands: To enable the Federal Works Administrator to carry out the provisions of the joint resolution (H. J. Res. 128) entitled "Joint resolution to authorize an appropriation for work relief in Puerto Rico and the Virgin Islands", approved June —, 1943, during the period beginning July 1, 1943, and ending November 30, 1943, \$7,000,000, of which not to exceed \$350,000 shall be available for administrative expenses, including the items of expenditure specified in section 14 of the Emergency Relief Appropriation Act, fiscal year 1943: *Provided*, That employees of the Work Projects Administration in active duty status on June 30, 1943, may, in the discretion of the Federal Works Administrator, be transferred to and paid from this

appropriation without the necessity of further appointment.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON of Missouri: On page 7, line 11, after "June", insert "22."

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER:

On page 7, line 6, strike out "Puerto Rico,"

On page 7, in line 12, strike out "\$7,000,000" and insert in lieu thereof "\$500,000."

On page 7, line 13, strike out "\$350,000" and insert in lieu thereof "\$50,000."

Mr. TABER. Mr. Chairman, I ask recognition in favor of the amendment. However, the gentleman from Missouri [Mr. BELL] advises me that he has an appointment shortly and he would like to precede me, so I ask unanimous consent that he may be permitted to precede me in speaking on this amendment, and I reserve my time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BELL. I thank the gentleman from New York.

Mr. Chairman, I rise in opposition to the amendment.

The gentleman from New York in his remarks a little while ago seemed to have the feeling that if we pass this bill carrying the \$7,000,000 it might have a tendency to set aside the traditional way of life in Puerto Rico and the capitalistic system and all that sort of thing.

I think every Member of the House who knows me knows there is no Member of the House who is more firm than I in his belief in our traditional form of government. I believe in the capitalistic system that our forefathers left to us. As far as I am given strength of mind and body, as long as I am a Member of this body I am going to fight and contend for those sacred things our forefathers gave us when they gave us the Constitution of the United States and our present form of government.

On the other hand, in regard to this particular item, I believe that in furtherance of an orderly manner of closing up the W. P. A. down there we ought to go ahead and pass this \$7,000,000 item. I have a feeling that it is the orderly way to do it. There are certain projects there which have to do with our national defense that ought to be finished up.

My distinguished colleague from Michigan said something about graft down there. I know he did not intend to imply there was any graft in the management of the W. P. A. down there.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. That is correct.

Mr. BELL. I knew that was the gentleman's opinion, but I merely wanted to clear it up for the body, because the W. P. A. down there, I think, has been handled in a fine manner.

As I said a moment ago, I believe that what we ought to do is to continue this limited program until they have an opportunity to wind it up. I think 5 months is a short time in which to do that. I think the President of the United States acted very wisely when by Executive order he ordered the closing up of W. P. A. all over the United States. I rejoice that he did it. I think he left the W. P. A. open in Puerto Rico because of the fact that he felt there was a special condition down there. It is one of our military outposts. There are certain things that ought to be done. So I am leaving it to you gentlemen to go ahead and pass this \$7,000,000 item.

I want to serve warning that when this item is passed, it is the last item I expect to vote for for W. P. A. down in Puerto Rico. I think that when this thing is closed up the W. P. A. should be closed up down there the same as it is here.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman is clear now that this is the last item under W. P. A.?

Mr. BELL. I am speaking for myself. I am not speaking for anybody else.

Mr. CHURCH. I mean, the gentleman understands that Puerto Rico and the Virgin Islands are the only places we are still attempting to vote W. P. A. money for?

Mr. BELL. That is my understanding.

Mr. CHURCH. The gentleman is acquainted with the graft and the theft, not under General Fleming in this particular case, no, but in the administration hertofore of W. P. A. Is not the gentleman familiar with that?

Mr. BELL. I do not care to get into a general discussion of W. P. A. in the United States, because that is a closed issue, but I will say that W. P. A. as operated under General Fleming I think has been operated honestly and carefully down there, because I have been down there and I have found no evidence to the contrary. I know General Fleming to be an able executive. I think he is thoroughly, beyond any question, an honorable man. I know his work down there is above reproach.

Mr. CHURCH. And does not the gentleman feel that it approaches reckless theft of the taxpayers' money to appropriate this \$7,000,000.

Mr. BELL. No; I would not say that at all. I do not agree with the gentleman on that.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I cannot be a party to permitting an appropriation for the continuance of the W. P. A. in Puerto Rico. Here is the story. They have now in sight a tax revenue of \$75,000,000 to \$80,000,000 a year. That is more per capita than the State of New York, the State of Pennsylvania, the State of Illinois, the State of Texas, or the State of Massachusetts or any other State in the United States. Why is it that with that enormous revenue they are unable to meet their own demands?

The mismanagement down there of their affairs has been such, as the gentleman from Michigan, Mr. CRAWFORD, has told you, that men who were supposed to be working on a farm left their jobs and went down into the W. P. A. employment in place after place and farm after farm. I say to you that unless you want to destroy completely the entire economic set-up of these islands, and of that island, it is absolutely necessary that we discontinue the W. P. A. in Puerto Rico. I leave funds in here for the operation of the Virgin Islands, perhaps leaving too much. There is nothing in the evidence to show how much it was for one and how for the other.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. CRAWFORD. Why did the committee leave \$350,000 as administrative expense of the \$7,000,000?

Mr. TABER. Because the Public Works Administration asked for \$8,000,000 for the job. They asked for \$400,000 out of this for administrative expenses. The committee made a cut of \$1,000,000, and they cut the administrative expenses a like percentage.

Mr. CRAWFORD. In other words, it is 5 percent?

Mr. TABER. Five percent.

Mr. CRAWFORD. I have not had access to the figures given to the Committee on Appropriations, but it seems to me that that is awfully high.

Mr. TABER. It is altogether too high. It is ridiculous, like the whole thing.

Mr. CRAWFORD. In view of what has been said on the floor, I certainly feel that should be reduced anywhere from \$100,000 to \$200,000, without hurting the program at all.

Mr. TABER. On the other hand I think this whole Puerto Rican W. P. A. proposition should be eliminated, and that is what I ask the House to do, to save six and a half million dollars.

Mr. PAGÁN. Mr. Chairman, I move to strike out the last word. I agree with the gentleman from New York [Mr. TABER] in part when he refers to the present government that we have been having in Puerto Rico in the last 2 years under Dr. Tugwell. Really the Puerto Ricans have been suffering from a most tyrannical and rotten government under the direction of Dr. Tugwell. Under Governor Tugwell democracy is a shallow word. He has also been taking Puerto Rico as a guinea pig for his crackpot experiments, that are regimentering and ruining agriculture, industry, and commerce, and are a scare for private enterprise. I have been opposing and protesting against Dr. Tugwell for 2 long years, speaking on behalf of the majority of the Puerto Ricans, who do not want Dr. Tugwell there, and speaking on behalf of agriculture, commerce, industry, and labor in Puerto Rico who are opposing Governor Tugwell and requesting his removal.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. PAGÁN. Yes, I yield to the gentleman from Illinois.

Mr. CHURCH. Does the gentleman really believe that there is any real hope for a successful program for Puerto Rico

as long as Dr. Tugwell or his philosophy prevails in the government of Puerto Rico?

Mr. PAGÁN. No; I do not have any hope as long as Dr. Tugwell is Governor of Puerto Rico, and I hope that soon Puerto Rico will be rid of Tugwell. To put Tugwell out would be democratic and fair to the Puerto Rican people. They do not want him there.

Mr. CHURCH. I read awhile ago some of the philosophy of Dr. Tugwell. Here is some more of it, if you will pardon me. In the *Battle for Democracy*, by Rexford G. Tugwell, professor of economics, Columbia University, published in 1935 by the Columbia University Press, he stated on page 19:

This will perhaps explain what President Roosevelt meant when he spoke of this new system of relationship as governmental partnership with industry. The phrase is precise. The Government, however, is the senior and controlling partner.

These statements of Dr. Tugwell indicate his philosophy. Its effect is to destroy private industry and to destroy jobs for these people. He is now putting Government more and more in charge of industry.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PAGÁN. I yield.

Mr. CANNON of Missouri. I think the gentleman's attention should be called to the fact that Dr. Tugwell has absolutely nothing to do with this proposition. This is a matter exclusively under the jurisdiction and administration of General Fleming.

Mr. TABER. But he has to do with the operation of the revenue.

Mr. PAGÁN. Mr. Chairman, I say this appropriation has nothing to do with the administration of Dr. Tugwell. So I oppose the amendment proposed by the gentleman from New York [Mr. TABER]. The authorization for this appropriation is already a law, and was approved unanimously a few days ago by the Senate and the House.

The present situation in Puerto Rico is very critical. A committee of Members of this House that recently went down there to investigate conditions can tell you how difficult are our economic problems. While here in the mainland there is labor shortage, in Puerto Rico more than one-half of our workers are unemployed. We have more than 3,000 workers unemployed. We have no war industries at all. Agriculture and industry are practically wrecked, mostly due to lack of transportation. The shipping shortage, due to the war situation, has been very acute. Shortage in shipping has been the cause for shutting down industries and for reduction in planting and harvesting our agricultural crops, producing great widespread unemployment.

The tax collections in Puerto Rico, mentioned before, are mostly for certain trust funds, which by law are tied for other purposes. The insular government of Puerto Rico has appropriated some amounts to help the unemployed through relief and public works, but it is not enough, because of lack of sufficient funds.

May I state also that a great part of the appropriation provided in the bill, as was stated by W. P. A. officials at the hearings, is to be devoted for works for malaria control and other health and sanitation purposes in districts close to the naval and military establishments in Puerto Rico, to protect the health of the naval and Army troops in Puerto Rico during the war.

In think that the people of Puerto Rico, under present circumstances, are entitled to this aid. In normal times, under other circumstances, I would not ask for such aid. The United States have certain moral responsibility with the people of Puerto Rico, with about 2,000,000 loyal American citizens, which they hardly can evade.

I hope that the amendment is rejected.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. PAGÁN. Yes; I yield to the gentleman from Massachusetts.

Mr. CURLEY. Is it true that the \$7,000,000 is earmarked for health and sanitary measures of Puerto Rico?

Mr. PAGÁN. It was so stated by the officials of the W. P. A. who testified at the hearings.

Mr. CURLEY. And in the gentleman's judgment it cannot be used for any other purpose.

Mr. PAGÁN. Yes.

Mr. CURLEY. And it is admitted by everyone that large sums of money are necessary for the protection and preservation of the health of the people of Puerto Rico.

Mr. PAGÁN. And also for the health protection of the naval and military troops stationed now in Puerto Rico.

Mr. CURLEY. So that Dr. Tugwell would have nothing to do with the expenditure?

Mr. PAGÁN. Absolutely not. If Dr. Tugwell were to have anything to do with it I would be the first to oppose it.

Mr. CURLEY. So that irrespective of the views of Dr. Tugwell, the gentleman is in agreement with the committee that this appropriation is absolutely vital and necessary to the people of Puerto Rico?

Mr. PAGÁN. I agree with the gentleman, it is absolutely vital and necessary.

Mr. CHURCH. Will the gentleman yield?

Mr. PAGÁN. I yield to the gentleman from Illinois.

Mr. CHURCH. I know the gentleman wants to be fair. Neither the Navy nor the War Department have asked for this appropriation of funds to be used to help any of their projects in Puerto Rico, under the W. P. A. or the P. W. A. Is that not right? They have adequate funds to carry out their own projects?

Mr. PAGÁN. I answer the gentleman that in the hearings before the Senate committee, when a similar bill was discussed, the officials of the W. P. A. testified that a great amount of this money was being spent on works for health and sanitation purposes, in districts close to the Army and Navy establishments in Puerto Rico which were absolutely nec-

essary to protect the health of the troops stationed in Puerto Rico.

Mr. CHURCH. I understand that the representatives of P. W. A., carrying out these W. P. A. projects, have represented that they can use some of it in the localities; yes. But the Navy and the War Departments have adequate funds to carry out every project that they have down there, and they do not want the W. P. A. leaf-raking around these projects. I am anxious to help Puerto Ricans help themselves.

Mr. PAGÁN. The Navy and War Departments do not oppose this appropriation, they favor it.

Mr. RABAUT. Will the gentleman yield?

Mr. PAGÁN. I yield to the gentleman from Michigan.

Mr. RABAUT. For the benefit of the gentleman from Illinois, 65 percent of the projects have been approved by the Army or the Navy. With all deference to his leaf-raking program, he is all off color on this. Sixty-five percent have been approved by the Army or the Navy as assisting in the war effort.

Mr. LUDLOW. Will the gentleman yield?

Mr. PAGÁN. I yield to the gentleman from Indiana.

Mr. LUDLOW. I would like to call the attention of the gentleman from Illinois to page 61 of the hearings, where Mr. Field, testifying in behalf of this appropriation, said:

Then we have a malarial control project which the Army wants us to expand. Malaria has broken out in a virulent form and the Army is back of that project. Ten percent of the soldiers down there have malaria.

The CHAIRMAN. The time of the gentleman from Puerto Rico has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I wonder if we cannot arrive at some limitation on time for debate on this matter. I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 40 minutes, the last 5 minutes to be reserved for the use of the committee.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from Utah [Mr. ROBINSON] is recognized.

Mr. ROBINSON of Utah. Mr. Chairman, I think we should clarify the issues here a little.

I had the privilege of going to Puerto Rico with the committee. While I do not have time to go into the problems that exist there at this time, I wish to call attention to a few facts as I saw them.

In the first place, the Insular Affairs Committee of the House reported an authorization for \$8,000,000 to be expended by W. P. A. during the next 5 months. This was reported out unanimously and the gentleman from Illinois [Mr. CHURCH] is a member of that committee.

Mr. CHURCH. Will the gentleman yield?

Mr. ROBINSON of Utah. I do not yield.

Mr. CHURCH. The gentleman voted against it.

Mr. ROBINSON of Utah. I am not yielding. If there is any question about my statement, read the report of the committee. The gentleman is a member of that committee and we reported that bill from the Insular Affairs Committee of the House unanimously.

Mr. CHURCH. The gentleman voted against it.

Mr. ROBINSON of Utah. I decline to yield. I am a member of that committee. The bill went to the Senate. The Senate reported \$8,000,000 for this purpose, unanimously, on the theory that a committee was going down there to make a report on the conditions on the island, and then some decision would be made as to what should be done in the future with this island. Your committee has been down there. They appeared before you today. The chairman of the committee urges you to pass this appropriation of \$7,000,000, which is a cut of \$1,000,000 by the Committee on Appropriations. The ranking Republican Member, the gentleman from Michigan [Mr. CRAWFORD], came before you and urged you to pass it. I went down there with the committee and I want to tell you people in this House that in my opinion there could be no greater piece of injustice or inhumanity against some of our citizens than the denial of this amount that is asked here at this time. It would be outrageous. It would be inhuman. It would be unjust. These people have some rights. They are our citizens.

Here is what they are doing with the money. At the present time they are building roads, with practically all of this money. If that is cut off you would have some of the roads that are the most important roads on the island in such shape that they cannot be used, and there is no money to proceed with them.

The money that is spoken of here in the treasury of the insular government is almost entirely tied up in various funds—trust funds and otherwise. There is no money they can get for this particular use. Not only that, but I myself talked with a number of people on this question—men who are opposed to Mr. Tugwell. He is no problem here. I do not see why he should be dragged into this argument. Many of these laws were passed before he became Governor. It is an interesting thing that a great many of these measures that are called socialistic were passed by unanimous consent of the Legislature of Puerto Rico. The whole island wanted these measures. It is not a matter that concerns Tugwell. Tugwell only has veto power. In my opinion, while I do not have any great brief for Rex Tugwell, I think he is doing a fine job at the present time. I want to tell this House there has been some mention of graft and corruption and such things, but there is not one scintilla of evidence in all the evidence taken before this committee that indicates any graft or any corruption at all. That will be shown by your committee's report.

The CHAIRMAN. The time of the gentleman from Utah has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN] for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, earlier in the afternoon the Member from Connecticut [Mrs. LUCE] stated in substance, if I understood her correctly, that she did not agree with any of the dunderheads on either side of the aisle.

Now, in view of the fact that a book was published last fall, around about election time, which gave a list of the dunderheads, so-called, I would be glad to have the Member put her list of the Members of Congress she considers dunderheads in to see how the two lists compare with each other. I have never regarded any of my colleagues on either side as either dumbheads, dunderheads, or dumbbells.

With reference to this matter of Puerto Rico: The President issued a statement yesterday in connection with the coal strike and down in the last paragraph in one of the papers I find this language:

As the Selective Service Act does not authorize the induction of men above 45 years into the armed services, I intend to request the Congress to raise the age limit for non-combatant military service to 65 years. I shall make that request of the Congress so that if at any time in the future there should be a threat of interruption of work in plants, mines, or establishments owned by the Government—

Note, "owned by the Government"—the machinery will be available for prompt action.

Being ignorant of the establishments, plants, and mines which are owned by the Government, as distinguished from those which are operated, I am asking the chairman of the committee how many, if any, establishments owned by the Government we have in Puerto Rico or any other of the Territories covered by this bill or the appropriations in this bill.

Will the chairman of the committee or any other member of the committee answer that question?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman restate his question?

Mr. HOFFMAN. How many establishments, plants, or mines does the Government own that would receive a portion of the funds carried by this bill?

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman explain what he means by his inquiry? Does he mean Army and Navy Establishments?

Mr. HOFFMAN. Well, the President said in this statement that he wants authority to draft all men up to 65 years of age, so that if at any time in the future there should be a threat of interruption of work in plants, mines, or establishments owned by the Government, the machinery will be available for prompt action.

Mr. CANNON of Missouri. Mr. Chairman, may I ask the gentleman if he will explain to me what if any reference his

inquiry has to the appropriation of the \$7,000,000?

Mr. CRAWFORD. I understand that this \$7,000,000 is to go to Puerto Rico or some of the different Territories, and my inquiry is, Does the statement of the President apply to any work that is being carried on in such Territories?

Mr. CANNON of Missouri. Does the gentleman mean Naval or Army Establishment? It has nothing at all to do with it.

Mr. HOFFMAN. No; you do not understand my inquiry.

Mr. CANNON of Missouri. It has nothing at all to do with it and I do not see the connection between the gentleman's inquiry and the item under discussion.

Mr. HOFFMAN. The connection is that the President wants to put men in the Army and to use them in plants and establishments owned by the Government if the need arises.

Mr. CANNON of Missouri. The President made no statement about Puerto Rico.

Mr. HOFFMAN. The President refers to plants owned by the Government and he did not limit it to plants, establishments, or mines in the continental United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield to me?

Mr. HOFFMAN. I yield, if the gentleman can answer the inquiry.

Mr. CRAWFORD. As an illustration, let us take the cement plant just outside of San Juan, which was financed through funds appropriated from the Federal Treasury approved by this House, through the so-called Puerto Rican Reconstruction Finance Corporation, which funds were used for the purpose of building the plant. Now I would ask the gentleman, with his legal knowledge, does he construe that to be a plant owned by the Government?

Mr. HOFFMAN. I do not know.

Mr. CRAWFORD. Personally, I do.

Mr. HOFFMAN. I am trying to learn the answer to this for one thing: Does the Government own the rum plant in the Virgin Islands?

Mr. CRAWFORD. The Federal Government through its agency owns the rum plant; the Federal Government through its agency owns the cement plant, but I do not know whether the President meant plants thus owned through Government corporations would come under the gentleman's inquiry.

Mr. HOFFMAN. That is the question I am asking; that is what I would like to know specifically. Just what did the President mean; just what did he include when he said plants, mines, or establishments owned by the Government. Did he mean that the Government considers itself the owner as distinguished from the operator of the mines. And did he mean that he expects the Government to own mines, plants, and establishments in the near future?

Mr. Chairman, I yield back the balance of my time.

Mr. LUDLOW. I should have hoped that every Member of the House might

have had an opportunity to read the hearings on this matter before being called upon to vote. The situation in Puerto Rico is very bad indeed, and, while I know it is true that we have been very generous to Puerto Rico, the fact remains that we have been generous to people all around the world. We are giving food at the present time to an untold number of people in Africa and in other parts of the globe. These people down in Puerto Rico are our people; they are citizens of the United States, and they are under the American flag. The war has brought about some very serious economic repercussions in Puerto Rico; there is no doubt about that; it has multiplied their woes enormously.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. TABER. Is it not true that instead of the war it is the Tugwell administration that has wrecked their economy?

Mr. LUDLOW. I think the Tugwell administration has had a good deal to do with it, yes; but I do not think we ought to dwell upon the Tugwell administration in seeking to appraise the economic situation in Puerto Rico; we should look at the humane features of this proposition and try to do something for our own citizens who are loyal members of the American union.

Mr. ROBINSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. ROBINSON of Utah. As to the Tugwell situation, he did not go into office until 1942 and this island was in a worse condition prior to that time than it has been since.

Mr. LUDLOW. I think Tugwell and Tugwellism have done considerable injury to the political system of Puerto Rico, but I cannot imagine he has had anything to do with bringing about these very serious economic conditions which we are trying to cope with here in this bill.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MARCANTONIO. The fact of the matter is that Puerto Rico's economy during the 45 years the island has been in our possession has never amounted to much due to the fact it has been subjected to our high tariff walls, our shipping monopoly, and whenever Puerto Rico attempted to develop an industry of its own, because of our shipping monopoly and our high tariff walls we have gone down there and dumped goods to wipe out any industry in Puerto Rico.

Mr. LUDLOW. I thank the gentleman for his contribution. I have not time to do anything but sketchily review the evidence here. If, however, you will read General Fleming's testimony he says the unemployment situation is very bad in Puerto Rico and the submarine menace has been bad, very bad, and the entire situation is very distressing.

The gentleman from Illinois raised the question as to whether the Army and the Navy is interested in any projects down there. I should like to call his

attention to page 61 of the hearings where Mr. George H. Field, the Deputy Commissioner of the Federal Works Agency testified. He said:

We have a malarial-control project which the Army wants us to expand.

He testifies further that they have more cases of malaria in Puerto Rico in a year than in the whole continental United States. He testifies further that in June 10 percent of all the soldiers down in Puerto Rico were afflicted with malaria. There are some things we can do and should do for humanity's sake to help the people of Puerto Rico. One thing we can do and one thing we have been doing, is to keep 160,000 little children from suffering the pangs of hunger. Surely that is something worthwhile.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, the only place that Governor Tugwell has in this argument is that of a "red herring" to be dragged across the trail. The argument here is: Are you interested in the feeding of 160,000 children? Or will you abandon them to hunger? Are you interested in seeing what you can do to prevent further tuberculosis? Or do you just want to walk out on your duty? This is the real argument. It is easy enough to drag a "red herring" around here, but it is quite another thing to face the picture.

Fourteen thousand of these Americans down there are in the armed forces of our country today. Perhaps if they had had better food there would be more of them physically fit to serve in the armed forces. Look at the hearings, page 61, and find the answer to questions raised by the gentleman from Illinois [Mr. CHURCH]:

Sixty-five percent of the people working on our projects are on projects certified by the Secretary of War and the Secretary of the Navy as being important for their purposes; and that includes not only road work but other types of construction work.

There are unemployed 250,000 people who are asking for food—asking us for food. We live in a country that has recognized the conditions of the world. Our lend-lease program proves that. The amendment offered by the gentleman from New York [Mr. TABER] would walk out on the very people—

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Not now.

Mr. TABER. But the gentleman referred to me.

Mr. RABAUT. I will not yield until I have finished my statement.

If you want to follow the gentleman from New York you will walk out on some of our own under-the-American-flag citizens, while we talk about helping the people of the world. Two hundred and fifty thousand of those people are unemployed. Forty-one thousand only are on W. P. A. The difference is in excess of 209,000. These are the facts—not a Tugwell "red herring" drawn across the trail.

Mr. Chairman, I now yield to the gentleman from New York.

Mr. TABER. The gentleman was present, if I remember correctly, when the gentleman from Mississippi [Mr. McGEHEE] spoke.

Mr. RABAUT. I was; and I complimented him on his remarks.

Mr. TABER. And the gentleman from Mississippi indicated that there was no substantial unemployment there.

Mr. RABAUT. Did what?

Mr. TABER. Indicated that there was no substantial unemployment there.

Mr. RABAUT. As I remember his testimony he said there was unemployment. A person can take one or two sentences here and there and get a distorted view—but his general testimony before the committee was that this assistance should be given.

I quote from the testimony of my friend the gentleman from Mississippi [Mr. McGEHEE] from page 101 of the hearings on the bill:

A subcommittee of the House Committee on Insular Affairs was sent to Puerto Rico to make an investigation and report back their recommendations to the Congress for the future handling of the affairs of Puerto Rico.

The placing of a limitation of 5 months in this bill is a stopgap which would allow sufficient time for this subcommittee to make its investigation and report to the Congress.

It developed in our hearings that there is quite a large number of unemployed in Puerto Rico.

Moreover, the original amount was \$8,000,000, approved by the Senate, which this committee reduced to \$7,000,000.

It is a stopgap appropriation. It runs for 5 months and it amounts to \$1,400,000 a month. Two hundred and fifty thousand people are asking for food, and they are Americans.

What is this House thinking about? That is all.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. CALVIN D. JOHNSON].

Mr. CALVIN D. JOHNSON. Mr. Chairman, we have heard here this afternoon statements on this legislation that causes us to reminisce and reflect back over the last few years, because all of us have watched this relief program grow. We have again been told by inference that unless we make appropriations and do certain things blood would run in the gutters and the people would kick in the windows of the shops and that people would starve.

I can remember the experience back in my own State of Illinois. I can remember investigations which we made into relief conditions and at one particular place we found 1,250 families on relief and upon investigation we found that 431 of them had employment. We found that the percentage of fraud ran from 30 to 60 percent of all those who were receiving assistance, and this was true in every section we checked. We found that our State was becoming a mecca for those who wanted to obtain something for nothing. We found that as soon as we spread out this bounty there were those who came from all over the Nation to get it, and I know you will find the same condition to exist wherever public relief is passed out. It

has happened in Puerto Rico, according to this testimony.

We have been told that the people from the hill country of Puerto Rico come down and take employment on W. P. A. because they can probably earn more than working upon the farms of their particular community. We are told that politics has no effect on its administration and I hope it does not, and we are told that Tugwell has nothing to do with it, and I wish to commend him if such is the case, because if that is true he is the first Governor in the history of the Nation that I know of who has not dabbled at some time or other in W. P. A. We have seen it work; we know what has happened. I am informed by a member of the committee, and if I am wrong I should like to be corrected, that there has been some \$16,000,000 appropriated by Puerto Rico for the relief of its indigent, yet they ask for this \$7,000,000.

To stop the influx of transients into my State I helped to enact into law a 3-year residence law which requires a residence of 3 years in order to obtain relief. We also made it mandatory for a man upon relief, if he was physically able, to work and earn the amount of his budget, and as soon as that went into effect the relief rolls went down very substantially.

I believe sincerely that if this appropriation is removed you will find those who are now receiving the relief will return to the farms and places where they were formerly employed or where they earned their own livelihood by cultivating the soil.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER]. I desire to restrict my argument at this time to the question of need, and I use as my authority one whose integrity is beyond the realm of impeachment, one who is respected and accepted as an excellent administrator. I refer to Maj. Gen. Philip B. Fleming, who is the Administrator of the Federal Works Agency. He said as far back as April 26 that "the unemployment crisis in Puerto Rico is more severe than it was in continental United States at the depth of the depression." He also said that "about half of the population is in great need." He stated further that "complete economic collapse has been prevented only by assistance from the Federal Government."

According to the chairman of another investigating committee, Senator CHAVEZ, "unemployment is increasing" and "local industries are practically at a standstill."

It has been estimated that there are unemployed in Puerto Rico, at various periods, between 225,000 and 325,000 people, affecting 165,000 families. These are facts and no amount of hocus-pocus can conceal them. Yet we are urged to eliminate this \$7,000,000 appropriation, a mere pittance for the relief of a good and honest people who are the victims of the worst evils of colonialism.

Let me point out to you, gentlemen, that the Latin-American people of South and Central America have a strong feeling of kinship toward the people on the island of Puerto Rico who are also Latin Americans. There are 100,000,000 Latin Americans who are watching the United States, following closely the manner in which we treat the people of Puerto Rico, the people who live on what we call the Gibraltar of the Caribbean, which guards the entrance to the Western Hemisphere. Despite this vital factor in this war you seek to deny the people of Puerto Rico \$7,000,000 to relieve their unemployment in a slight degree, and you do so by heaping insults upon them, and by misinformation, and misrepresentation of the facts.

Now let me for a moment deal with the question of ownership, the question raised by the gentleman from Michigan. He wanted to know about ownership in Puerto Rico. Let me give you some figures. Fifty percent of the sugar land is absentee-owned by four big United States corporations. I will give you their names: The Fajardo Sugar Co., the South Puerto Rico Sugar Co., the Eastern Puerto Rico Associates, and the Centrales Aguirre Co. Another 26 percent is also in the hands of absentee owners. The American centrales control 41 mills. The sugar industry comprises 40 percent of farm acreage, 56 percent of the value of all farm lands and buildings, and 60 percent of the exports. It employs 50 percent of the agricultural workers. Is the present plight of Puerto Rico's agriculture the fault of the people of Puerto Rico?

Why is there unemployment in Puerto Rico? Because first of all we have never permitted Puerto Rico to develop an industry of its own. In Puerto Rico, had they ever attempted to develop any kind of an industry, it would soon have been destroyed by those who now exploit the people of Puerto Rico.

For the past 45 years Puerto Rico, under the complete control of the United States, has been prevented from developing its own industry. High tariff walls have excluded the island from other world markets. This fact and the coast-wise-shipping laws which forced Puerto Rico to do its commerce under ships flying the American flag at exorbitant rates, have made the island almost wholly dependent on the United States for its food and essential supplies and for the marketing of its cash products. Puerto Rico has been our colonial possession from which we have drained a rich abundance of raw material but have not permitted to develop an island industry which would guarantee the well-being of her people. Under such a system of colonial exploitation Puerto Rico has not and cannot ever hope to develop a sound national economy which will guarantee the Puerto Rican people employment, good health, and decent standards of living. That is why the problem of immediate political independence and self-determination for Puerto Rico is a matter of such basic importance. There can be no hope of effective industrialization of Puerto Rico without Puerto Rican independence.

Let the investigators also tell you that Puerto Rico has a one-crop economy, sugar, a diabetic economy. Because of this large ownership of land concentrated in the four corporations I have just mentioned it has been impossible for the Government and the people of Puerto Rico to take farm land and use it for a subsistence-crop program, use it to raise a few things with which to feed their families.

I have often wondered whose ideas have been voiced when I have heard arguments against Puerto Rico similar to those expressed on the floor of the House today. I have wondered if these arguments have not been the ideas of the sugar trust which has little if any regard for the well-being of the Puerto Rican people.

I am not suggesting the destruction of the sugar industry. I am suggesting the simple formula of diversified agriculture, a subsistence crop program, use of marginal and other unused land, to develop an adequate food supply for the Puerto Rican people. The sugar trust with its monopoly of land has prevented this rational approach to the problem.

Instead for Puerto Rico and her people it has been sugar, low wages, and exploitation. Then you stand up here and base your argument against appropriating \$7,000,000 for the relief of these people on the ground that these people are diseased, they are lazy, they want to get away from the farms to seek W. P. A. wages. It is nonsense, sheer nonsense, and you use it to alibi a system of colonialism which shames the United States of America.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I wish to ask the Commissioner from Puerto Rico if it is not a fact that the insular government has appropriated some \$16,000,000 for relief during the coming fiscal year.

Mr. PAGÁN. I do not think that is the correct figure.

Mr. CRAWFORD. What does the gentleman think it is?

Mr. PAGÁN. They have appropriated all possible amounts to help the unemployment there.

Mr. CRAWFORD. Does the gentleman know whether or not they are preparing to spend any of those amounts they have appropriated, or have they spent any of them?

Mr. PAGÁN. They have spent some.

Mr. CRAWFORD. How much?

Mr. PAGÁN. I cannot tell the gentleman the exact amount, but I know they have spent nearly \$3,000,000; but that is not a sufficient amount to take care of 300,000 families.

Mr. CRAWFORD. I understand that, but what I want to get into the record, if the gentleman will give us the figures, is how much they appropriated. I think the gentleman will find it is exactly \$16,000,000.

Second, how much of the \$16,000,000 have they spent, when do they expect to spend it, and are they going to hold

it up to 1944 and use our Federal Treasury funds in the meantime? I suggest that the gentleman look into that for his own protection, if for no other reason.

Now may I ask the Commissioner this. I think the Commissioner knows what I am talking about. Does the gentleman want the record to show that this \$7,000,000 carried in this bill is to be spent for sanitary and health purposes? If I understood correctly, the gentleman from Massachusetts asked the gentleman that question. Does he want the record to show that?

Mr. PAGÁN. A great portion of that.

Mr. CRAWFORD. What does the gentleman mean by "a great portion"? We want to keep the record straight.

Mr. PAGÁN. The portion stated by the officials of the W. P. A. in the hearings. They stated that 65 percent of this fund was to be spent for works for malaria control, on sanitation, and on other health purposes, especially in districts close to the Navy and Army bases established in Puerto Rico.

Mr. CRAWFORD. If I understand the gentleman correctly, he wants the record to show that 65 percent of this \$7,000,000 is to be used for health and sanitation purposes.

Mr. PAGÁN. That is correct.

Mr. CRAWFORD. We will watch and see how it is spent, then, because that is not my understanding at all. I think the gentleman from Michigan, a member of the committee, stated that 65 percent of the projects had been approved by the military authorities. Is that not correct?

Mr. RABAUT. I corrected by statement when I took the floor. I said that 65 percent of the people working on the projects are on projects certified by either the Secretary of the Navy or the Secretary of War.

Mr. CRAWFORD. That certainly does not say it is for health and sanitary purposes. That is the point I am getting at. In other words, if you would build a big military road from San Juan to Mayaguez—I am not objecting to the road, now I am trying to get our thinking straight on this, because you are not going to settle this problem this afternoon. So I say that if the \$7,000,000 is largely spent for military roads then it will not go for health and sanitary purposes. If we had a list of the projects which have been approved we would know roughly for what the money is to be used, but without the list, we are largely guessing about the matter.

You are not going to stop this program with \$7,000,000. You are going to have this problem for the next 25 to 50 years. I stand on that statement, because we have done some very extraordinary things down there, that will perhaps have to be undone. For instance, take the question of people starving to death. Here is Haiti, for instance, under our supervision for some 15 or 20 years. We still dominate the picture almost 100 percent. Do you know what the cash income of the Haitians was? About \$4 a year, just \$4 a year. Is there any starvation there? Not at all.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. You will find the Haitian works, he produces food, gets along. Take the December 12, 1942, issue of the Foreign Commerce Weekly. I was reading it this morning. See what they have to say about how 95 percent of the Haitians are getting along and how well they are and how they take care of themselves, although I think the last boat to land in Haiti was some months ago. In a country in the tropics, you can generally feed yourselves if you want to do it.

Mr. MARCANTONIO. On what?

Mr. CRAWFORD. On the things that nature provides, just as we do in the temperate and arctic zones. Did not the Eskimos get along before the Public Works Administration began to operate?

Mr. MARCANTONIO. On what?

Mr. CRAWFORD. Bananas, breadfruit, mangoes, sugarcane, tropical nuts, various root foods which grow in abundance, plants, and many other highly important foods to say nothing about rice and fish, plus other items obtained with cash income. There is a shortage of proteins, of course. The gentleman is making fun of sugar.

Mr. MARCANTONIO. Do you eat sugarcane?

Mr. CRAWFORD. That question indicates how coddled the gentleman is. If he understood the tropics he would know how valuable the sugar content of the cane is to the native and how much he uses it. Sugarcane will give about \$300 in dollar income from an acre of good cane. Do you know what these so-called substitute food products, which the gentleman from New York would have grown, probably as much as \$15 per acre—more likely less. And then what would be the buying power of the people? Apparently the gentleman from New York [Mr. MARCANTONIO] would do away with the sugar industry, and have everybody now engaged by that industry starve to death on the same basis he claims some of the other people who are not engaged in and by the sugar industry is starving. I ask the gentleman just why he thinks God Almighty placed sugarcane in the tropics and sugar beets in the colder zones?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CANNON of Missouri. Mr. Chairman, this item came to the Committee on Appropriations at the end of a long process of executive and legislative collaboration.

The House Committee on Insular Affairs, which exercises jurisdiction over the legislation involved, after some considerable deliberation, passed a resolution on May 24, 1943, as follows:

Resolved by the Committee on Insular Affairs of the House of Representatives, That pending a study of conditions in Puerto Rico and the Virgin Islands, recently authorized by the House, and in view of emergent conditions there;

It is the sense of the committee that the Federal Works Administrator should be authorized to continue a work-relief program in Puerto Rico and the Virgin Islands for a period of several months from July 1, 1943, and, in accordance with the purposes of the

Emergency Relief Act, fiscal year 1943. In the opinion of the committee, this emergency authorization should not exceed 5 months, nor the funds \$8,000,000. The chairman is authorized to communicate this resolution to the Committee on Appropriations.

This resolution was passed unanimously, and was subscribed to by all members both majority and minority, of the Committee on Insular Affairs. They then held hearings and eventually formulated a bill which was brought into the House as House Joint Resolution 128, authorizing an appropriation for work relief in Puerto Rico and the Virgin Islands. The joint resolution was referred to the Union Calendar, and passed the House May 27, 1943.

I quote briefly from the report, House Report No. 506:

Economic conditions in Puerto Rico and the Virgin Islands are critical. This has resulted in widespread unemployment. While in the United States there is a shortage of manpower and a great demand for workers, conditions in the islands of the Caribbean, as a result of the lack of shipping to bring in raw materials for manufacture and to ship out finished products and agricultural commodities, have produced the opposite result.

The Senate committee found that the work program provided by the Work Projects Administration in Puerto Rico has prevented widespread suffering and general collapse of economy. It is the plan of the President, with whom the committee is in agreement, to close up the Work Projects Administration throughout the United States and the insular possessions by June 30 next. The Work Projects Administration is now employing on the islands of Puerto Rico and the Virgin Islands about 41,000 people on a large number of projects. Of these, 40,000 are employed in Puerto Rico. The cost for this employment is at the rate of \$1,600,000 a month.

The committee is unanimous in the view that some arrangement must be made to prevent the discharge of this great group of people on June 30. The committee does not propose the continuation of the Work Projects Administration as such, but in lieu thereof, recommend to the House the passage of House Joint Resolution No. 128 which would authorize the Federal Works Administrator to provide work for employment of needy persons on useful public projects for a period not to exceed 5 months from July 1 next, according to the provisions and purposes of the Emergency Relief Act for the fiscal year 1943 insofar as they are applicable to such employment.

This legislation is admittedly a stop-gap arrangement pending the time when the committee can bring to the House its considered judgment after making actual observations of the conditions on the islands and after completing the studies of the various proposals that have been made to alleviate them.

This House joint resolution was not only reported by the committee unanimously, but it passed the House unanimously, was unanimously approved by the Senate committee and unanimously agreed to in the Senate. The item then went to the Budget, and was transmitted by the Bureau of the Budget to the House and referred to the Committee on Appropriations. At no stage of that long process is there any record of criticism or objection.

My friend from Michigan [Mr. CRAWFORD], a member of the committee which

considered the legislation, occupies a rather anomalous position. He agreed to this recommendation by his committee. He approved the preliminary resolution. He voted for the bill. In company with other members of the Committee on Insular Affairs he accompanied the delegation to the islands and personally participated in the inspection and viewed the situation at first hand. And with all this familiarity with the proposition and an intimate personal knowledge of conditions as he found them on the islands, when I inquired of him at the close of his speech just now as to whether he favors the appropriation of the \$7,000,000—although in co-operation with my friend, the gentleman from New York [Mr. TABER] who offered this amendment, he has tried in every way to throw cold water on the proposition—he says we ought to appropriate the full \$7,000,000. That is the gentleman's position. That is his final conclusion. And that is the opinion of every member of the official delegation which visited the islands and has just returned within the last week. They saw the unemployed. They saw men at work who otherwise would have been without employment. They inspected the public works in process of construction. They saw them feeding 160,000 hungry children and having just returned from that enlightening experience, they recommend, without exception, that the money carried by the bill be appropriated to take care of the situation until permanent legislation can be enacted.

This bipartisan delegation from the Committee on Insular Affairs, after a minute inspection of the islands, were unable to find anything to criticize in General Fleming's administration. No one questions his integrity and ability and the success of his work as W. P. A. administrator in the islands. When I inquired of the gentleman from Michigan [Mr. CRAWFORD] just now if there was any implication of inefficiency or maladministration, whether there was any evidence of graft in connection with the work, he replied unequivocally, if somewhat reluctantly, that there was not. He gave the W. P. A. a clean bill of health. He did not submit a single objection to or criticism of the manner in which this money is being expended or the integrity with which it is being administered.

Mr. Chairman, no higher tribute could be paid to General Fleming and his staff, and no more convincing justification could be submitted for the approval of this appropriation and the rejection of the pending amendment.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demand by Mr. TABER) there were—ayes 36, noes 86.

So the amendment was rejected.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

Sec. 301. No part of any appropriation contained in this act shall be used to pay

the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. STEFAN. Mr. Chairman, I wanted to strike out the last word under the head of "Department of Commerce." I ask unanimous consent to return to that part of the bill.

The CHAIRMAN. Is there objection?

Mr. CANNON of Missouri. Mr. Chairman, I am very sorry, but we have agreed to finish this bill promptly this afternoon, and I shall have to object to returning.

The CHAIRMAN. Objection is heard.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, provision is made in this bill for some funds for the Civil Aeronautics Authority of the Department of Commerce. I desire to discuss a matter in that connection in which I believe a large number of the Members of the House and Senate are interested. Since 1935 the W. P. A. has engaged in an extensive program of airport construction throughout the United States. The construction activities of W. P. A. have now terminated. When the order for termination was given engineers of the C. A. A., together with those of W. P. A., conducted joint surveys of the projects still in operation. This survey disclosed that 28 airports in the country remained in a state of partial completion due to the withdrawal of W. P. A. funds.

Mr. McMURRAY. Mr. Chairman, a point of order. I make the point of order that the subject under discussion by the gentleman does not relate to the provision of the bill which we are now considering.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may proceed out of order.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin will proceed.

Mr. KEEFE. Mr. Chairman, 267 airport projects were approved by the Civil Aeronautics Authority to be completed under the W. P. A. formula by contribution of W. P. A. funds to be met by local municipal funds to complete those ports. Of those 267 airport projects so approved, when the W. P. A. ceased functioning, there were 28 ports located in various States where local communities had expended, in connection with W. P. A., a total sum in excess of \$8,400,000.

Herewith is a complete list of these airports:

California: Merced.
Colorado: Pueblo.
Connecticut: Danbury.
Georgia: Atlanta.
Idaho: Idaho Falls.
Indiana: Bloomington.
Iowa: Iowa City, Des Moines.
Kansas: Pittsburg.
Maine: Dexter, Eastport.
Michigan: Menominee.
Minnesota: Eveleth, Hibbing, International Falls.
New Mexico: Eaton.
North Carolina: Wilson, Burlington, Rockingham.
North Dakota: Valley City.
Texas: Henderson.
West Virginia: Clarksburg, Wheeling.
Wisconsin: Eau Claire, Siren, Oshkosh.
Nebraska: Fremont, Beatrice.

Many of these communities have borrowed money through bond issues and have raised money and bought the land to make the sponsor's contribution for the completion of these airports. They did so with the distinct understanding that the Federal Government would maintain its proportionate share under the W. P. A. formula to enable those ports to be completed. Now we find, with the folding up of W. P. A., these 28 airports, some of them from 50 to 90 percent completed, upon which the sum of \$8,400,000 has been spent by the local and Federal Governments; 3 of them are located in my State. May I say to the distinguished gentleman from Wisconsin [Mr. McMURRAY], who sought to take me off the floor and prevent me from bringing this matter to the Congress, that the people of Wisconsin and the people of all the States I have mentioned are extremely interested in seeing the Congress take action to complete these ports. Now, I say that unless we are able to direct the Federal Government to expend the money necessary to meet its obligation, those ports are going to disintegrate and become useless, and each day that they remain in their present state the \$8,400,000 investment we have already made in those ports will be depreciated.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. RABAUT. I just want to ask the gentleman a question. I am as interested in airports as anybody in this House, but how can we distinguish with regard to the airport program? With the cessation of W. P. A., we stopped the school lunches, we stopped building schools, we stopped building hospitals, and we stopped building roads. Everything else fell in the same category as airports.

Mr. KEEFE. I will say to the distinguished gentleman that I think the attitude of Congress has been reflected in other legislation which clearly shows that the Congress intends to have the Federal Government keep faith with the municipalities so that projects that were started under W. P. A. and were partially completed, and which were started with the distinct understanding with the local communities that they would be completed, should be completed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. LUDLOW. I am somewhat familiar with the situation that the gentleman describes. There is one of those airports at Bloomington, Ind. I am in complete agreement with the contention of the able gentleman from Wisconsin that those half-finished and rapidly deteriorating airport projects should be completed. That is just common sense. I would like to offer this as a contribution to the gentleman's discussion: I understand that the Civil Aeronautics Authority has prepared a proposed estimate and submitted it to the Bureau of the Budget for an appropriation of \$8,000,000 to complete those 28 airports.

Mr. KEEFE. I was just coming to that.

Mr. LUDLOW. I understand the Bureau of the Budget is to present the matter to the joint Army and Navy Board and get its opinion as to the military necessity of those airports, and those that are approved as being essential in the military interests will be recommended for appropriation by the Bureau of the Budget.

Mr. KEEFE. May I say to the distinguished gentlemen there are two sources from which funds are available for the building of airports. One is the fund that we appropriated to the Department of Commerce, which is approximately \$200,000,000. Those funds are subject to the jurisdiction of the Army and the Navy Board. There must be a finding of the Army and the Navy in order to secure money from that fund to complete the airport projects, that those projects are essential and necessary in the interest of national defense.

Now, it so happens that these 28 airports have not received the approval of the Army and Navy that they are of military necessity, and yet the municipalities that are involved went on the assumption, being misled by the Federal Government through the W. P. A. and through governmental agencies, that if they would go ahead and bond themselves and procure land, go ahead and meet the sponsor's contribution, that these airports would be constructed.

It seems to me that it is utterly and completely breaking faith on the part of the Government of the United States if we do not take steps here in this Congress to see that funds are provided to complete these ports under the program which was originally started by the W. P. A.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. LUDLOW. Supplementing what the gentleman says, I took this matter up today with Mr. Wayne Coy, the Acting Director of the Budget, and he stated these 28 projects will be resubmitted to

the Board to determine their essentiality in the military interest and those which are approved will be favorably considered by the Budget in the hope that in the next deficiency bill funds may be approved to carry the program out.

Mr. KEEFE. May I say that at the time the airport program was started, the question was asked as to whether or not strictly military necessity was of paramount importance, and these municipalities were led to spend their money in the purchase and building of these airports at a time when it was necessarily considered that they must be of military necessity in order that the Federal Government would make a contribution to complete them.

Now we are faced with a situation where the Army and Navy declines specifically to approve these ports as a military necessity. The Bureau of the Budget will not approve a request of the Civil Aeronautics Authority which is now pending before them, without Army and Navy approval, and these communities will be sitting there "holding the bag," with airfields on their hands. The Government must keep faith with the municipalities, when it asked them to go ahead and spend their money on these projects.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ANDERSON of New Mexico. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico that the gentleman from Wisconsin may proceed for 2 additional minutes?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield to me for a unanimous-consent request?

Mr. KEEFE. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 17 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. I went into this matter with my colleague the gentleman from New Mexico [Mr. FERNANDEZ] in connection with an airport in New Mexico, and in our particular case the airport was started with the understanding it would have military necessity, and it was channeled through the regular sources and Colonel Harlow said that he thought that it should be done, and I am glad the gentleman is bringing the matter up.

Mr. KEEFE. I will say to the distinguished gentleman that we had a meeting in my office this morning. Many Congressmen from these various States are interested in these projects, and there was a unanimity of agreement among the

Members present that we should make every effort possible to place an amendment in this deficiency bill if the rules would permit it in order to secure immediate approval of the estimate that has been submitted by the Civil Aeronautics Authority to the Bureau of the Budget. This is a matter that should demand the immediate attention of the House, and I am at this time calling it to your attention and expect to call it to the attention of the other body in order that we may get this appropriation through and get some action on it before this House recesses. Unless we do, the matter will go over again, and perhaps to the next year. We must protect and finish these airports we have started.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Nebraska [Mr. STEFAN] for 10 minutes.

Mr. STEFAN. Mr. Chairman, the matter under discussion should be of interest to every Member of this House who took an interest in the original construction of these airports.

W. P. A. began with an original program of approximately 1,019 of these airport sites. The chairman of the Subcommittee on Appropriations for the Departments of State and Commerce is very sympathetic to what is involved in this particular item of debate. We could not include it in the regular bill for Commerce due to lack of our Budget request. Now, let me give you a brief explanation of this program because eventually it is going to have something to do with an over-all program involving about 3,500 airports in every State in the Union and every congressional district when hostilities cease. When the President of the United States sent a letter to Major General Fleming liquidating W. P. A. he had this to say:

State or local projects should be closed out by completing useful units of such projects or by arranging for the sponsors to carry on the work.

The President wanted to complete these useful projects. Certainly airports 50 to 90 percent completed, with over 8 millions invested, could be considered useful units. Now, what is the picture? When W. P. A. liquidated it had completed 103 out of 267 airports. Of the rest the Army and Navy took over 71 and is now completing them, or we think they will complete them. A resurvey was made of the other airports. There were 93. The Army and the Navy and the C. A. A. Board made a resurvey and picked 65 for completion because of military necessity, and the money for their completion will come to you in a few days in the form of a conference report re-appropriating \$99,000,000 earmarked for these W. P. A. projects. That left 28 which are from 50 to 90 percent completed and which projects we are now discussing. The United States Treasury is interested in these 28 uncompleted airports because over \$8,400,000 of Federal money, State money, and county money is invested in them. Every day those airports lie idle a great loss of invested capital is incurred through wind erosion, and

so forth. We are losing a large Federal, State, and municipal investment. It is only a matter of economy that the work be finished. It will take \$8,000,000 to complete them. The Civilian Aviation Administration, knowing of this great investment, knowing the value of these airports to national defense, would like to have them completed. So the C. A. A. went to the Budget. They told the Budget they needed \$8,000,000 to complete these airports because the airports were needed. The President has said to complete useful units or make arrangements with the sponsors to complete them. The C. A. A. has carried out its part by the request to the Budget.

We met this morning. Many of us have been working on this matter a long time. We decided to take the floor to inform Congress of the probable loss of this big investment.

The gentleman from New York [Mr. TABER], ranking minority member of the Committee on Appropriations, has a break-down of what it will cost to complete each one of these airports. Those of you interested should get those figures. You will be surprised at the amount of money that your State, your city, and your Government has invested in airports 50 to 90 percent completed.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Nebraska.

Mr. CURTIS. There is one airport near the city of Vesta, Nebr., where a W. P. A. project was constructed, an airport covering 130 acres where they were training 50 flyers for the Government. W. P. A. said we ought to enlarge it. They did so by taking in areas surrounding the field with the result that the new one is not completed and the old one cannot be used.

Mr. STEFAN. That is right and it will cost \$450,000 to complete it. There is one airport in my district, Fremont, which will cost about \$25,000 to complete. It is 90 percent complete yet it has been abandoned representing a great outlay of city and Government funds. I want that investment saved and this valuable and badly needed airport completed.

Because of parliamentary procedure we are stymied, we cannot offer an amendment to include this important item. We may get help in the Senate.

We are pleading with the Budget Bureau to allow and approve immediately this C. A. A. request for \$8,000,000 to complete and save this investment in order that we may include it in this bill when it gets over to the Senate. We want these airports authorized before we go home or before we recess.

Mr. ANDERSON of New Mexico. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. I want to confirm what the gentleman has said and to point out that the airport I mentioned at Raton, N. Mex., is 91 percent completed.

Mr. STEFAN. Yes. It will only cost \$75,000 to complete that airport. The gentleman has worked hard for its completion.

Mr. KERR. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from North Carolina.

Mr. KERR. May I say on the gentleman's behalf that there is not a man in the House who is more diligent and who has taken more interest in this matter than he has. There are three of these airports that the people of my State have spent thousands and thousands, yes, millions of dollars, as I understand it, to build or, rather, they have given land that is worth that. These are magnificent, prosperous towns near the great Army activities of my State. Yet they will leave this out, and they cannot be completed.

Mr. STEFAN. The gentleman has helped and worked hard for aviation generally.

Mr. WRIGHT. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I am very much interested in what the gentleman says. I do not know whether there are any of these in my State or not. Nevertheless, I feel that there is a great future for aviation, and I think it would be a permanent investment for the country. Unless there would be some Member object or raise a point of order, the amendment could be offered. From what I can judge, it is the unanimous sentiment of the House, if no point of order is raised.

Mr. STEFAN. Of course, we could pass it if no point of order were raised.

Mr. WRIGHT. There is no doubt about the amount.

Mr. STEFAN. Our committee wants to proceed in an orderly manner. I am sure a point of order would be raised. I want to thank the gentleman, however, for his contribution. We want to save this investment.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. STEFAN asked and was given permission to revise and extend his own remarks in the Record.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT] for 3 minutes.

Mr. SHORT. Mr. Chairman, we all should, if we all do not, feel grateful to both the gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Nebraska, [Mr. STEFAN] for calling this important matter to the attention of the House. I feel that the Government does have a moral obligation to carry out a solemn contract and if we fail to complete these airports that have already been started and many of which are nearly completed, we would not only be guilty of a breach of faith but we would suffer a severe economic loss. I never did believe much in W. P. A. but when one undertakes even a bad thing he should see it through. "Blessed is he who sweareth to his own hurt and changeth not."

I happen to have an airport down at Joplin, Mo., that is practically complete. All that it lacks is \$14,000 to \$16,000 worth of lighting facilities. The people in that community have cooperated with the Federal Government and both have spend over \$500,000 for building that

airport, which is located in one of the third largest defense areas in the United States. The field is complete, the hangar built, the runways constructed, and yet we cannot use it.

Mr. RABAUT. Will the gentleman yield?

Mr. SHORT. No; I do not want the gentleman to embarrass me. I do want to tell the gentleman that this Joplin airport is between Fort Leonard Wood and Camp Crowder, in Missouri. It is just across the line from the Jawhawk ordnance plant and from the shell-loading plant over in Kansas. It is about halfway between Kansas City and Fort Joe Robinson, at Little Rock, and Camp Chaffee at Fort Smith, in Arkansas. It is about halfway between St. Louis and Oklahoma City, in one of the most strategic areas in the United States. We have lead and zinc mines and several powder plants in this area. This airport could be easily extended. Yet, because the W. P. B. or the Army or the Navy or some other agency overlapping C. A. A. has been negligent, envious, or jealous, we are denied these \$14,000 worth of lighting equipment in order to utilize that field that is already complete. What a waste of public funds. Yet I know the acute shortage of critical materials.

Recently a bomber that cost \$350,000 crashed near that field, killing all the crew and, of course, the bomber was lost, too. It is all right for the Congress to appropriate funds to complete these fields, but unless we can jar some sense into the heads of some administrative agencies down at the other end of the Avenue in order to get the equipment to utilize these airports, the money will have been spent in vain.

Mr. Chairman, it is shocking to know that we already have lost more men in air service training than we have lost in combat.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. RABAUT] for 2 minutes.

Mr. RABAUT. Mr. Chairman, may I say to the last speaker that there was no contractual obligation on the part of W. P. A. in its relation to the States. In this, my answer to him, I desire to quote my distinguished friend the gentleman from New York [Mr. TABER], who has always referred to this Federal assistance as a hand-out.

Under the W. P. A. the Federal Government was to pay about 75 percent of the cost. I want to be very clear about the matter. There was a requirement in W. P. A. to complete Federal projects, and if the completion of an airport is requested now as necessary to the war effort by either the Army or the Navy, it will be completed. However, other projects not necessary to the war effort upon which great contributions have come from the Federal Government may be completed by their sponsors. As far as these airports are concerned, I am as strong for the construction of airports as anyone present, and I wish at this time to commend in a special manner the devotion in this regard of my personal friend and colleague the gentleman

from Nebraska [Mr. STEFAN] for the airport program.

But it certainly comes as a surprise to hear W. P. A. praised in this House; it certainly comes as a great surprise to now hear that W. P. A. really has done some good in so many parts of the country; that W. P. A. has been accountable for some airports; that W. P. A. was accountable for schools, libraries, court-houses, roads, lunches for children, and a thousand other things. Formerly we heard much talk about boondoggling and everything else, but today, at last, W. P. A. comes into its own and is praised on the floor of Congress. I am happy that this day has come, for at last recognition is made of the generous gifts of the Federal Government to the States of the Union.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 302. The appropriations and authority with respect to appropriations contained herein shall be available from and including July 1, 1943, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1943, and the date of the enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANNON of Missouri: On page 26, after line 6, insert a new section as follows:

"SEC. 303. Appropriations contained in this act may be used to reimburse the emergency fund of the President for advances made therefrom to meet obligations for purposes for which the funds are provided in this act and for which purposes such appropriations are contained herein."

Mr. CANNON of Missouri. Mr. Chairman, this is a precautionary amendment offered by direction of the committee. We trust it will not be necessary. We hope and expect this bill will be passed in ample time to antedate the close of the fiscal year, but in the event through some misfortune it should be delayed beyond the first of the fiscal year, this will make it possible for reimbursement to be made of funds advanced to take care of the items.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

The Clerk read as follows:

SEC. 303. This act may be cited as the "Second Deficiency Appropriation Act, 1943."

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 26, line 7, strike out "303" and insert "304."

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my good friend the gentleman from New York [Mr. TABER], in his remarks of yesterday, appearing on page 6423 of the RECORD, made the statement that certain contracts had been entered into by the Office of War

Information in violation of law. Also that it was incorporated by a group of people most of whom are on the preferred list of the Dies committee.

The original contract with Short Wave Research was entered into by the Office of Coordinator of Information, headed by Brig. Gen. William J. Donovan. General Donovan is one of the most eminent men in the Government service today. He has a long record of public service. He served with credit and distinction in the First World War. He was the nominee of his party for Governor of New York against Governor Lehman.

While he needs no defense, I am glad to be able to certify that this contract was not in violation of law and that he did not recruit for carrying out the contract men from the preferred list of the Dies committee. I think it is only due to General Donovan that this statement be made.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. I just want to call the attention of the chairman to the fact that I stated that those who incorporated the Short Wave Research, Inc., were a group of people who were on the preferred list of the Dies committee. I did not say that those whom they recruited were on that list. I made no comment of that kind.

I still say that the contract was illegal. It is perfectly clear, I think, that it is illegal. It is now under investigation by the Comptroller General.

Mr. CANNON of Missouri. It could hardly be under investigation when it was discontinued some time ago.

By way of historical review, Mr. Chairman, I shall read the following statement:

The Office of War Information, Overseas Branch, inherited on its establishment in June 1942 a contract which had been entered into on April 25, 1942, between Short Wave Research, Inc., a private corporation, and the Foreign Information Service of the Office of Coordinator of Information, headed by Brig. Gen. William J. Donovan. After the Office of War Information was given the foreign information service formerly in the Office of the Coordinator of Information, the Office of War Information renegotiated this contract with Short Wave Research in July 1942, and that contract was continued until terminated by the Office of War Information on March 7, 1943. During the period of the contracts with Short Wave Research by the Office of the Coordinator of Information and the Office of War Information, beginning in April 1942 and ending in March 1943, \$545,009.79 was paid to Short Wave Research, Inc., for foreign-language services required in overseas propaganda. This sum was entirely from authorized and vouchered funds.

The arrangement was entered into originally for reasons of economy, of which the Bureau of the Budget and the Civil Service Commission were cognizant. At that time, the Foreign Information Service of the Office of Coordinator of Information was preparing programs in many languages, but did not broadcast in any single language sufficient hours each day to warrant hiring full-time linguistic personnel. Short Wave Research, Inc., maintained a pool of available personnel with linguistic or literary skills needed in overseas propaganda. Under the contract, the Foreign Information Service could call

for such services as it needed, for given hours each day or week, and payment for these services was made to Short Wave Research, Inc. All payments were for writing, translating, or radio broadcasting services actually rendered.

When the Office of War Information submitted its first budget to Congress in September 1942, a sum was included for these services and the item was clearly set forth and explained in the book of justification.

By January 1943, programming by the Overseas Branch of the Office of War Information had increased in volume to such an extent that it became preferable for the Office of War Information to place all linguistic and literary personnel directly on its pay roll. This change was completed and therefore the contract was terminated by the Office of War Information on March 7, 1943.

Payments made under contracts with Short Wave Research

Payments made by the Office of Coordinator of Information, April to June 1942, before transfer of the foreign information service to the Office of War Information.....	\$226,855
Payments made by the Office of War Information from July to October 1942.....	178,120
Payments made by the Office of War Information from November 1942 to March 1943.....	140,033

There was a saving here. Originally, instead of using personnel whose entire time could not be employed, they used the pool supported by this service to give the service only when service was needed. At other times there was no charge upon the Government. All payments were for writing, translating, or radio broadcasting services actually rendered. When the service was built up to a basis of continuous employment, the contract was discontinued.

If there had been such maladministration, such malfeasance, and misuse of funds as are indicated by the gentleman, it would have been brought out at that time, and certainly opportunity was offered for criticism at that time.

So there is no basis on which an investigation could be predicated. I am sure if any investigation is being made, General Donovan can more than maintain the right he had to make the original contract. And, of course, O. W. I. had a similar right.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment. The statement that the gentleman from Missouri [Mr. CANNON] has just read is incorrect in several respects. In the first place, Mr. Davis became the head of the O. W. I. some time before we went away from here in the early summer of 1942. For almost a year he has operated under this contract with the Short Wave Research, Inc., and this set-up was designed to hire people for the Government without their having to go through the Civil Service Commission or be classified by the Civil Service Commission. The O. W. I. was given opportunity to enter into contracts without reference to the provisions of section 3709 of the code, but that applies only to supplies and materials. It does not apply to personal services, because the statute was designed to keep people on the Federal

pay roll so that they could be checked upon, and the Civil Service Commission could properly classify them. I do not feel that any statement that I have made in criticism of O. W. I. in this connection is in the least out of the way, or in the least incorrect, and I think that I will stand right square upon what I said. I did not say that the majority of the employees were upon the preferred list of the Dies committee. I said the incorporators were on that list. The gentleman seeks to make General Donovan the goat. The man I criticized was Elmer Davis, and the criticism was well founded.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, originally this work was under the Coordinator of Information, General Donovan, and he, in this capacity, negotiated the contract, and the fact that the contract was not illegal is shown by the fact that expenditures under it have regularly passed through the General Accounting Office and been properly vouchered and approved. Later the Office of War Information was created, and this work was transferred, that is, the Foreign Information Service was transferred from the Office of the Coordinator to the O. W. I. under Mr. Davis, and the O. W. I. renegotiated a contract with Short Wave Research in July 1942, and in March 1943 discontinued this contract.

The record cannot be construed as a reflection on General Donovan, who has had a distinguished public career, and who has represented and is representing both his country and his party in a most praiseworthy manner. The evidence is that his accounts were vouchered by the proper authority and O. W. I. continued a contract and followed a practice inaugurated by the Coordinator's office.

Mr. Chairman, I move that the Committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PACE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not,

the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on this bill may have 5 legislative days in which to extend their own remarks on the bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

VOCATIONAL REHABILITATION OF PERSONS DISABLED IN INDUSTRY

Mr. HART. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2536), to amend the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference thereon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Mr. BARDEN, Mr. HART, Mr. LESINSKI, Mr. DONDERO, and Mr. CHENOWETH.

EXCESS PROFITS APPLICABLE TO CERTAIN PRODUCTION BONUS PAYMENTS

Mr. DISNEY. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2888), relating to the application of the excess-profits tax to certain production bonus payments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REED of New York. Reserving the right to object, will the gentleman make a brief explanation of the bill?

Mr. DISNEY. Mr. Speaker, this involves the question of excess profits on the production of zinc in the lead and zinc mining areas of Oklahoma, Missouri, and Kansas. Last year we attempted to correct an apparent inconsistency involved in the payment of bonuses for the work of low-grade zinc deposits, and then charged the producer excess profits. By oversight the matter of the working of so-called tailing piles was overlooked and the anomalous condition still prevails as far as that is concerned.

The bill was unanimously reported by the Committee on Ways and Means, and there is no objection from the Members on the minority side.

Mr. REED of New York. Mr. Speaker, I have examined this bill thoroughly. It is a meritorious bill and ought to be passed in the interest of the prosecution of the war.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 735 (c) of the Internal Revenue Code is amended to read as follows:

"(c) Nontaxable bonus income: The term 'nontaxable bonus income' means the amount of the income derived from bonus payments made by any agency of the United States Government on account of the production in excess of a specified quota of:

"(1) A mineral product or timber, the exhaustion of which gives rise to an allowance for depletion under section 23 (m), but such amount shall not exceed the net income (computed with the allowance for depletion) attributable to the output in excess of such quota; or

"(2) A mineral product extracted or recovered from mine tailings by a corporation which owns no economic interest in the mineral property from which the ore containing such tailings was mined: *Provided*, That the exhaustion of such mineral product would give rise to an allowance for depletion under section 23 (m) if such corporation had an economic interest in such mineral property, but such amount shall not exceed the net income attributable to the output in excess of such quota."

SEC. 2. Section 711 (a) (1) (I) of the Internal Revenue Code is amended to read as follows:

"(I) Nontaxable income of certain industries: In the case of a producer of minerals, or a producer of logs or lumber from a timber block, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and timber blocks and nontaxable bonus income provided in section 735. In respect of nontaxable bonus income provided in section 735 (c), a corporation described in section 735 (c) (2) shall be deemed a producer of minerals for the purposes of this subparagraph."

SEC. 3. Section 711 (a) (2) (K) of the Internal Revenue Code is amended to read as follows:

"(K) Nontaxable income of certain industries: In the case of a producer of minerals, or a producer of logs or lumber from a timber block, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and timber blocks and nontaxable bonus income provided in section 735. In respect of nontaxable bonus income provided in section 735 (c), a corporation described in section 735 (c) (2) shall be deemed a producer of minerals for the purposes of this subparagraph."

SEC. 4. The amendments made by this act shall be applicable to taxable years beginning after December 31, 1940.

With the following committee amendment:

Page 2, line 8, after the word "mined", strike out "*Provided*, That the exhaustion of such mineral product would give rise to an allowance for depletion under section 23 (m) if such corporation had an economic interest in such mineral property."

Mr. DISNEY. Mr. Speaker, the amendment merely strikes out some surplusage that was overlooked.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, on behalf of the gentleman from Wisconsin [Mr. KEEFE], I ask unanimous consent that he may be permitted to revise and extend the remarks he made today in Committee of the Whole and to include therein certain tables.

78TH CONGRESS
1ST SESSION

H. R. 3030

IN THE SENATE OF THE UNITED STATES

JUNE 25 (legislative day, MAY 24), 1943

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply defi-
5 ciencies in certain appropriations for the fiscal year ending
6 June 30, 1943, and for prior fiscal years, to provide sup-
7 plemental appropriations for the fiscal year ending June 30,
8 1944, and for other purposes:

1 TITLE I—GENERAL APPROPRIATIONS

2 LEGISLATIVE

3 HOUSE OF REPRESENTATIVES

4 For payment to the widow of Harry L. Englebright, late
5 a Representative from the State of California, \$10,000.

6 For payment to the widow of U. S. Guyer, late a Repre-
7 sentative from the State of Kansas, \$10,000.

8 The two foregoing amounts to be disbursed by the Ser-
9 geant at Arms of the House.

10 ARCHITECT OF THE CAPITOL

11 Capitol Buildings and Grounds: The unexpended bal-
12 ance on June 30, 1943, of the allocation of \$39,240 made
13 available immediately under the appropriation for the Capitol
14 Grounds, contained in the Legislative Branch Appropria-
15 tion Act, 1943, is hereby continued available for the same
16 purposes until June 30, 1944.

17 EXECUTIVE OFFICE OF THE PRESIDENT

18 NATIONAL RESOURCES PLANNING BOARD

19 For an additional amount for salaries and expenses,
20 fiscal year 1944, including the objects and under the condi-
21 tions specified under this head in the Independent Offices
22 Appropriation Act, 1944, \$29,500 to be merged with the
23 amount in such Act; and of such consolidated sum not less
24 than \$42,500 shall be allocated exclusively for the payment
25 of accumulated and accrued annual leave of employees due

1 them after June 30, 1943, and not more than \$37,000 shall
2 be available for all other salaries and expenses.

3 INDEPENDENT EXECUTIVE AGENCIES

4 CIVIL SERVICE COMMISSION

5 Salaries and expenses, Civil Service Commission (na-
6 tional defense) : For an additional amount for salaries and
7 expenses, Civil Service Commission, national defense, fiscal
8 year 1944, including the objects specified under this head in
9 the Independent Offices Appropriation Act, 1944, \$325,000.

10 EMPLOYEES' COMPENSATION COMMISSION

11 Employees' compensation fund: For an additional
12 amount, fiscal year 1943, for the payment of compensation
13 provided by the act of September 7, 1916 (5 U. S. C. 785),
14 as amended, including the objects specified under this head
15 in the Employees' Compensation Commission Appropriation
16 Act, 1943, \$500,000.

17 FEDERAL WORKS AGENCY

18 Work Projects Administration liquidation: Not to ex-
19 ceed \$1,065,000, out of balances of appropriations under sec-
20 tion 1 (a) of the Emergency Relief Appropriation Act, fiscal
21 year 1943, which remain unobligated on June 30, 1943, is
22 hereby made available to the Administrator, Federal Works
23 Agency, during the fiscal year 1944 for all necessary ex-
24 penses for the liquidation of the Work Projects Administra-
25 tion, including personal services and rents in the District of

1 Columbia and elsewhere; printing and binding; operation
2 and maintenance of motor-propelled passenger-carrying vehi-
3 cles; and not less than \$583,632 of such sum shall be allo-
4 cated exclusively for payment for accumulated and current
5 accrued leave of employees separated from the Government
6 service due to the discontinuance of the Work Projects
7 Administration: *Provided*, That employees of the Work
8 Projects Administration in leave status and in active duty
9 status on June 30, 1943, may, in the discretion of the
10 Administrator, be transferred to and paid from this appro-
11 priation without the necessity of further appointment.

12 In carrying out the liquidation of the activities under
13 the Emergency Relief Appropriation Acts, fiscal years 1942
14 and 1943, accounts shall be maintained without regard to
15 the limitations established by said Acts and without regard
16 to project allocations: *Provided*, That the appropriations
17 established and extended for the completion of Federal con-
18 struction projects under the provisions of the Emergency
19 Relief Appropriation Act, fiscal year 1943, shall be liqui-
20 dated and accounted for as one fund: *Provided further*, That
21 all credits subsequent to June 30, 1943, representing repay-
22 ments or recoveries on account of funds disbursed out of
23 amounts allocated or made available pursuant to any of the
24 provisions of law referred to in this paragraph, shall be cov-
25 ered into the Treasury as miscellaneous receipts, together

1 with such balances as the Administrator may from time to
2 time determine to be no longer required to meet obligations.

3 The provisions of section 501 of the Third Supplemental
4 National Defense Appropriation Act, 1942, approved De-
5 cember 17, 1941, shall be applicable to appropriations under
6 the Emergency Relief Appropriation Act, fiscal year 1941,
7 and there shall be transferred to the "Emergency relief liq-
8 uidation fund" from appropriations under the Emergency
9 Relief Appropriation Act, fiscal year 1941, sufficient amounts
10 to meet unliquidated obligations incurred thereunder: *Pro-*
11 *vided*, That claims certified for payment by the Comptroller
12 General of the United States, chargeable to the "Emergency
13 relief liquidation fund", shall be paid without regard to proj-
14 ect allocations.

15 The Federal Works Administrator, or his designee for
16 such purpose, is authorized to consider, ascertain, adjust, de-
17 termine, and pay from the foregoing appropriation any claim
18 on account of damage to or loss of privately owned property
19 caused by the negligence of any employee of the Works Prog-
20 ress Administration or the Work Projects Administration
21 while acting within the scope of his employment. No claim
22 shall be considered hereunder which is in excess of \$500, or
23 which is not presented in writing within one year from the
24 date of accrual thereof. Acceptance by a claimant of the
25 amount allowed on account of his claim shall be deemed to

1 be in full settlement thereof, and the action upon such claim
2 so accepted by the claimant shall be conclusive.

3 Work relief in Puerto Rico and the Virgin Islands:
4 To enable the Federal Works Administrator to carry out
5 the provisions of the joint resolution (H. J. Res. 128) entitled
6 "Joint resolution to authorize an appropriation for work
7 relief in Puerto Rico and the Virgin Islands", approved
8 June 22, 1943, during the period beginning July 1, 1943,
9 and ending November 30, 1943, \$7,000,000, of which not
10 to exceed \$350,000 shall be available for administrative
11 expenses, including the items of expenditure specified in
12 section 14 of the Emergency Relief Appropriation Act,
13 fiscal year 1943: *Provided*, That employees of the Work
14 Projects Administration in active duty status on June 30,
15 1943, may, in the discretion of the Federal Works Admin-
16 istrator, be transferred to and paid from this appropriation
17 without the necessity of further appointment.

18 NAVY DEPARTMENT

19 OFFICE OF THE SECRETARY

20 Claims for damages by collision with naval vessels: To
21 pay claims for damages adjusted and determined by the
22 Secretary of the Navy under the provisions of the Act
23 entitled "An Act to amend the Act authorizing the Secre-
24 tary of the Navy to settle claims for damages to private

1 property arising from collisions with naval vessels", approved
 2 December 28, 1922, as fully set forth in House Document
 3 Numbered 230, Seventy-eighth Congress, \$10,628.05.

4 COAST GUARD

5 Claims for damages, operation of vessels, Coast Guard:
 6 To pay claims for damages adjusted and determined by the
 7 Secretary of the Navy under the provisions of the Act entitled
 8 "An Act to provide for the adjustment and settlement of
 9 certain claims for damages resulting from the operation of
 10 vessels of the Coast Guard and the Public Health Service,
 11 in sums not exceeding \$3,000 in any one case", approved
 12 June 15, 1936, as fully set forth in House Document Num-
 13 bered 226, Seventy-eighth Congress, \$882.88.

14 POST OFFICE DEPARTMENT

15 (OUT OF THE POSTAL REVENUES)

16 FIELD SERVICE

17 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

18 Compensation to postmasters: For an additional amount
 19 for compensation to postmasters, fiscal year 1943, including
 20 the objects specified under this head in the Post Office De-
 21 partment Appropriation Act, 1943, \$1,875,000.

22 Clerks, first- and second-class post offices: For an addi-
 23 tional amount for compensation to clerks and employees at
 24 first- and second-class post offices, fiscal year 1943, including

1 the objects specified under this head in the Post Office De-
2 partment Appropriation Act, 1943, \$11,750,000.

3 Special-delivery fees: For an additional amount for fees
4 to special-delivery messengers, fiscal year 1943, \$1,100,000.

5 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

6 Star Route Service: For an additional amount for inland
7 transportation by star routes (excepting service in Alaska),
8 including temporary service to newly established post offices,
9 fiscal year 1943, \$1,100,000.

10 Railroad transportation and mail-messenger service: For
11 an additional amount for inland transportation by railroad
12 routes and for mail-messenger service, fiscal year 1943, in-
13 cluding the objects specified under this head in the Post
14 Office Department Appropriation Act, 1943, \$4,500,000.

15 Railway postal clerks, travel allowance: For an addi-
16 tional amount for travel allowance to railway postal clerks
17 and substitute railway postal clerks, fiscal year 1943,
18 \$29,000.

19 Railway Mail Service, traveling expenses: For an addi-
20 tional amount for Railway Mail Service, traveling expenses,
21 fiscal year 1943, \$2,500.

22 Railway Mail Service, miscellaneous expenses: For an
23 additional amount for miscellaneous expenses, Railway Mail
24 Service, fiscal year 1943, including the objects specified

1 under this head in the Post Office Department Appropriation
2 Act, 1943, \$3,500.

3 Electric-car service: For an additional amount for elec-
4 tric-car service, fiscal year 1943, \$23,000.

5 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

6 Manufacture and distribution of stamps and stamped
7 paper: For an additional amount for the manufacture and
8 distribution of stamps and stamped paper, fiscal year 1943,
9 including the objects specified under this head in the Post
10 Office Department Appropriation Act, 1943, \$200,000.

11 Unpaid money orders more than one year old: For an
12 additional amount for payment of domestic money orders
13 more than one year old from the last day of the month of
14 issue of such orders, fiscal year 1943, \$35,000.

15 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

16 Vehicle service: For an additional amount for vehicle
17 service, fiscal year 1943, including the objects specified under
18 this head in the Post Office Department Appropriation Act,
19 1943, \$508,195.

20 TREASURY DEPARTMENT

21 OFFICE OF THE SECRETARY

22 To enable the Secretary of the Treasury, in accordance
23 with the provisions of section 3 of the joint resolution ap-
24 proved May 3, 1943 (Public Law 48), to pay to the Republic

1 of Panama an amount equivalent to the principal and interest
2 paid by that Government on account of the credit of \$2,500,-
3 000 made available to it by the Export-Import Bank for the
4 construction of Panama's share of the Chorrera-Rio Hato
5 Highway, and to pay to the Export-Import Bank an amount
6 sufficient to liquidate the remaining obligation of the Republic
7 of Panama to that bank on account of the aforesaid credit,
8 fiscal years 1943 and 1944, \$2,700,000.

9 PROCUREMENT DIVISION

10 Emergency relief, Treasury Procurement Division, ad-
11 ministrative expenses: For administrative expenses of the
12 Procurement Division, fiscal year 1944, to effect the liquida-
13 tion of the operations of said Division incident to the emer-
14 gency relief program, \$137,500.

15 Federal property utilization: For necessary expenses of
16 the Procurement Division in connection with the transporta-
17 tion, handling, warehousing, safeguarding, rehabilitating,
18 transferring to Government agencies, and otherwise disposing
19 of supplies and equipment, including personal services in the
20 District of Columbia and elsewhere, stationery (not to exceed
21 \$35,000), purchase (including exchange) of books of refer-
22 ence and periodicals, printing and binding (not to exceed
23 \$12,000), and advertising, fiscal year 1944, \$3,250,000.

TITLE II—JUDGMENTS AND AUTHORIZED
CLAIMS

PROPERTY DAMAGE CLAIMS

SEC. 201. (a) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent offices, under the provisions of the Act entitled "An Act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding \$1,000 in any one case", approved December 28, 1922 (31 U. S. C. 215), as fully set forth in House Document Numbered 233, Seventy-eighth Congress, as follows:

Executive Office of the President:

Office for Emergency Management, War Relocation
Authority, \$73.51;

Petroleum Administration for War, \$34.10;

Federal Security Agency, \$294.44;

Federal Works Agency, \$1,972.28;

National Advisory Committee for Aeronautics, \$245.78:

Veterans' Administration, \$310.33;

Department of Agriculture, \$1,869.44:

Department of Commerce, \$517.29;

1 Department of the Interior, \$880.57;
2 Department of Justice, \$626.28;
3 Navy Department, \$9,361.14;
4 Treasury Department, \$480.97;
5 War Department, \$54,450.08;
6 In all, \$71,116.21.

7 JUDGMENTS, UNITED STATES COURTS

8 SEC. 202. (a) For the payment of the final judgments,
9 including costs of suits, which have been rendered under the
10 provisions of the Act of March 3, 1887, entitled "An Act to
11 provide for the bringing of suits against the Government of
12 the United States", as amended by section 297 of the Act
13 of March 3, 1911 (28 U. S. C. 761), and which have been
14 certified to the Seventy-eighth Congress in House Document
15 Numbered 225 under the following agencies:

16 Federal Works Agency (Work Projects Administra-
17 tion), \$2,256.91;

18 War Department, \$9,068.35;

19 In all, \$11,325.26, together with such additional sum as
20 may be necessary to pay costs and interest as specified in
21 such judgments or as provided by law.

22 (b) None of the judgments contained under this cap-
23 tion shall be paid until the right of appeal shall have expired
24 except such as have become final and conclusive against the
25 United States by failure of the parties to appeal or otherwise.

1 (c) Payment of interest wherever provided for judg-
 2 ments contained in this Act shall not in any case continue
 3 for more than thirty days after the date of approval of this
 4 Act.

5 JUDGMENTS, UNITED STATES COURT OF CLAIMS

6 SEC. 203. (a) For payment of the judgments rendered
 7 by the Court of Claims and reported to the Seventy-eighth
 8 Congress in House Document Numbered 229, under the
 9 following agencies, namely:

10 Federal Works Agency:

11 Public Buildings Administration, \$64,269.63;

12 Work Projects Administration, \$11,089.72;

13 National Housing Agency: Federal Public Housing Au-
 14 thority, \$4,500;

15 Department of Commerce, \$1,409.04;

16 Department of the Interior (civil), \$12,780.52;

17 Department of Justice, \$369.47;

18 Navy Department, \$2,828.58;

19 Treasury Department, \$2,622.42;

20 War Department, \$132,709.28;

21 In all, \$232,578.66, together with such additional sum
 22 as may be necessary to pay interest or costs as and where
 23 specified in such judgments.

24 (b) For the payment of judgment numbered 45047,

1 rendered by the Court of Claims in favor of Herman E. Osann
 2 covering a claim under the Exchange Relief Act of March
 3 26, 1934, as certified to the Seventy-eighth Congress in
 4 House Document Numbered 228, \$3,784.64, to be paid
 5 from the administrative expense fund, Office of Alien Prop-
 6 erty Custodian.

7 (c) None of the judgments contained unde
 8 shall be paid until the right of appeal shall have exp
 9 except such as have become final and conclusive against the
 10 United States by failure of the parties to appeal or otherwise.

11 AUDITED CLAIMS

12 SEC. 204. (a) For the payment of the following claims,
 13 certified to be due by the General Accounting Office under
 14 appropriations the balances of which have been carried to
 15 the surplus fund under the provisions of section 5 of the
 16 Act of June 20, 1874 (31 U. S. C. 713), and under appro-
 17 priations heretofore treated as permanent, being for the
 18 service of the fiscal year 1940 and prior years, unless other-
 19 wise stated, and which have been certified to Congress under
 20 section 2 of the Act of July 7, 1884 (5 U. S. C. 266), as
 21 fully set forth in House Document Numbered 232, Seventy-
 22 eighth Congress, there is appropriated as follows:

23 **The Judiciary:** For fees of jurors and witnesses, United
 24 States courts, \$111.40.

25 For fees of commissioners, United States courts, \$256.79.

1 For miscellaneous expenses, United States courts, \$6.43.

2 For fees and expenses of conciliation commissioners,
3 United States courts, \$100.

4 **Independent Offices:** For American Battle Monuments
5 Commission, \$2.73.

6 For salaries and expenses, Railroad Retirement Board,
7 \$13.10.

8 For Securities and Exchange Commission, \$17.10.

9 For Saint Elizabeths Hospital, 78 cents.

10 For salaries and expenses, vocational rehabilitation,
11 Office of Education, \$2.

12 For National Industrial Recovery, Federal Emergency
13 Administration of Public Works, \$25.15.

14 For operating supplies for public buildings, Public Build-
15 ings Administration, 82 cents.

16 For general administrative expenses, Public Buildings
17 Branch, Procurement Division, \$2.50.

18 For general administrative expenses, Public Buildings
19 Administration, \$1.50.

20 For repair, preservation, and equipment, public build-
21 ings, Procurement Division, \$256.36.

22 For repair, preservation, and equipment, Public Build-
23 ings Administration, \$208.

24 For administrative expenses, Federal Housing Adminis-
25 tration, \$7.10.

1 For administrative expenses, United States Housing
2 Authority, Federal Public Housing Authority, \$24.87.

3 For salaries and expenses, Veterans' Administration,
4 \$1,311.71.

5 For salaries and expenses, Veterans' Bureau, \$5.20.

6 For salaries and expenses, Bureau of War Risk Insur-
7 ance, \$4.20.

8 **Department of Agriculture:** For salaries and expenses,
9 library, Department of Agriculture, \$38.37.

10 For salaries and expenses, Bureau of Animal Industry,
11 \$381.80.

12 For salaries and expenses, Soil Conservation Service,
13 \$4,038.50.

14 For salaries and expenses, Forest Service, \$2.26.

15 For salaries and expenses, Agricultural Marketing Serv-
16 ice, \$42.08.

17 For National Industrial Recovery, Resettlement Ad-
18 ministration, submarginal lands (transfer to Agriculture), \$4.

19 For development of water facilities, arid and semiarid
20 areas, Department of Agriculture, \$8.12.

21 For acquisition of lands for protection of watersheds of
22 navigable streams, \$356.

23 For control of emergency outbreaks of insect pests and
24 plant diseases, \$610.37.

1 For exportation and domestic consumption of agricul-
2 tural commodities, Department of Agriculture, \$45.49.

3 For exportation and domestic consumption of agricul-
4 tural commodities, Department of Agriculture (transfer to
5 Federal Surplus Commodities Corporation), \$732.39.

6 For retirement of cotton pool participation trust certifi-
7 cates, Department of Agriculture, \$5.31.

8 For administration of Sugar Act of 1937, Department of
9 Agriculture, \$40.75.

10 For conservation and use of agricultural land resources,
11 Department of Agriculture, \$7,063.97.

12 For farm tenancy, Department of Agriculture, \$1,348.80.

13 For submarginal land program, Farm Tenant Act, De-
14 partment of Agriculture, \$1,695.

15 For land utilization and retirement of submarginal land,
16 Department of Agriculture, \$871.60.

17 For liquidation and management of resettlement projects,
18 Department of Agriculture, \$5.20.

19 For salaries and expenses, Farm Credit Administration,
20 \$2.50.

21 For salaries and expenses, Farm Credit Administration.
22 Department of Agriculture, 75 cents.

23 For farmers' crop production and harvesting loans, Farm
24 Credit Administration, \$21.57.

1 For loans to farmers in drought- and storm-stricken areas,
2 emergency relief, \$32.26.

3 For New England hurricane damage, Forest Service,
4 \$8.82.

5 **Department of Commerce:** For establishment of air-
6 navigation facilities, Civil Aeronautics Authority, \$16,137.41.

7 For salaries and expenses, Civil Aeronautics Authority,
8 \$2,308.78.

9 For maintenance of air-navigation facilities, Civil Aero-
10 nautics Authority, \$1.

11 For salaries and expenses, Weather Bureau, \$134.64.

12 For traveling expenses, Department of Commerce,
13 \$1.35.

14 **Department of the Interior:** For Geological Survey,
15 \$1.12.

16 For investigation of domestic sources of mineral supply,
17 Bureau of Mines, \$78.70.

18 For migratory bird conservation fund, Department of the
19 Interior (receipt limitation), \$1,433.06.

20 For salaries and expenses, Bureau of Biological Survey,
21 \$2.12.

22 For National Industrial Recovery, Interior, National
23 Park Service, recreational demonstration projects, \$3.85.

24 For agriculture and stock raising among Indians, \$52.88.

1 For improvement of land records, Indian Service,
2 \$4,871.52.

3 For Indian boarding schools, \$116.07.

4 For Indian school support, \$11.46.

5 For purchase and transportation of Indian supplies,
6 \$3.01.

7 For conservation of health among Indians, \$81.29.

8 For emergency conservation fund (transfer from War to
9 Interior, Indians, Act June 19, 1934), \$254.07.

10 For Civilian Conservation Corps (transfer to Interior,
11 Indians), \$64.26.

12 **Department of Justice:** For contingent expenses, De-
13 partment of Justice, \$21.63.

14 For Federal jails and correctional institutions, main-
15 tenance, \$3.33.

16 For fees of witnesses, Department of Justice, \$83.20.

17 For miscellaneous expenses, United States courts (trans-
18 fer to Justice), \$222.03.

19 For general expenses, Immigration and Naturalization
20 Service, \$7.65.

21 For salaries, field service, Immigration and Naturaliza-
22 tion Service, \$4.16.

23 For salaries and expenses, Federal Bureau of Investiga-
24 tion, \$10.63.

1 For salaries and expenses of marshals, and so forth,
2 Department of Justice, \$35.17.

3 For traveling expenses, Department of Justice, \$1.30.

4 **Department of Labor:** For salaries and expenses, Divi-
5 sion of Labor Standards, Department of Labor, \$23.93.

6 **Navy Department:** For Naval Research Laboratory,
7 \$7,051.50.

8 For engineering, Bureau of Engineering, \$134,935.49.

9 For engineering, Navy, \$184,504.76.

10 For ordnance and ordnance stores, Navy, \$2,356.24.

11 For ordnance and ordnance stores, Bureau of Ordnance,
12 \$100.

13 For pay, subsistence, and transportation, Navy,
14 \$2,055.19.

15 For maintenance, Bureau of Supplies and Accounts,
16 \$815.33.

17 For general expenses, Lighthouse Service, \$5.67.

18 For foreign-service pay adjustment, appreciation of for-
19 eign currencies (Navy), \$16.33.

20 For payment to officers and employees of the United
21 States in foreign countries due to appreciation of foreign
22 currencies (Navy), \$23.50.

23 For Medical Department, Navy, \$2,825.

24 For pay and allowances, Coast Guard (Navy), \$16.10.

1 For rebuilding and repairing stations, and so forth, Coast
2 Guard (Navy), \$80.01.

3 For contingent expenses, Coast Guard (Navy), \$19.17.

4 For aviation, Navy, \$306,880.45.

5 For pay, Marine Corps, \$793.49.

6 For general expenses, Marine Corps, \$120.84.

7 For Naval Reserve, \$1.99.

8 **Post Office Department—Postal Service (out of the**
9 **postal revenues):** For clerks, first- and second-class post
10 offices, \$270.58.

11 For indemnities, domestic mail, \$56.13.

12 For rent, light, and fuel, \$5.

13 **Department of State:** For Lower Rio Grande flood
14 control, Department of State, \$32,302.72.

15 For office and living quarters' allowances, Foreign
16 Service, \$62.50.

17 For Second Inter-American Radio Conference, Santiago,
18 Chile, \$9.15.

19 **Treasury Department:** For payment to officers and
20 employees of the United States in foreign countries due to
21 appreciation of foreign currencies (Treasury), \$44.66.

22 For contingent expenses, Treasury Department, \$33.

23 For collecting the revenue from customs, \$159.76

24 For collecting the internal revenue, \$268.44.

- 1 **War Department:** For increase of compensation, Mili-
- 2 tary Establishment, \$17.63.
- 3 For pay, and so forth, of the Army, \$171.01.
- 4 For pay of the Army, \$3,047.48.
- 5 For travel, military and civil personnel, War Depart-
- 6 ment, \$23.26.
- 7 For travel of the Army, \$88.22.
- 8 For subsistence of the Army, \$11.51.
- 9 For clothing and equipage, Army, \$685.12.
- 10 For replacing clothing and equipage, \$330.21.
- 11 For Army transportation, \$246.24.
- 12 For barracks and quarters, Army, \$87.75.
- 13 For Air Corps, Army, \$33.75.
- 14 For National Guard, \$291.68.
- 15 For Organized Reserves, \$59.54.
- 16 For Reserve Officers' Training Corps, \$6.98.
- 17 For working fund, War, ordnance, \$4,482.80.
- 18 For cemeterial expenses, War Department, \$1.20.
- 19 For Civilian Conservation Corps (transfer to War),
- 20 \$6,552.01.
- 21 For emergency conservation fund (transfer to War, Act
- 22 June 19, 1934), \$178.56.
- 23 For emergency conservation fund (transfer to War, Act
- 24 March 31, 1933), \$72.17.

1 For emergency conservation work (transfer to War, Act
2 February 9, 1937), \$221.52.

3 For emergency conservation work (transfer to War,
4 Act June 22, 1936), \$54.68.

5 For loans and relief in stricken agricultural areas (trans-
6 fer from emergency conservation work to War, Act June 19,
7 1934), \$11.47.

8 **District of Columbia:** For Home for Aged and Infirm,
9 expenses, District of Columbia, \$5.49.

10 Total, audited claims, section 204, \$738,176.55, together
11 with such additional sum due to increases in rates of exchange
12 as may be necessary to pay claims in the foreign currency
13 and interest as specified in certain of the settlements of the
14 General Accounting Office.

15 SEC. 205. For the payment of claims allowed by the
16 General Accounting Office pursuant to the Act entitled "An
17 Act for the relief of officers and soldiers of the volunteer
18 service of the United States mustered into service for the
19 War with Spain, and who were held in service in the
20 Philippine Islands after the ratification of the treaty of peace,
21 April 11, 1899", approved May 2, 1940 (Public Act Num-
22 bered 505, Seventy-sixth Congress), and which have been
23 certified to the Seventy-eighth Congress under section 2 of
24 the Act of July 7, 1884 (U. S. C., title 5, sec. 266), under

1 the War Department in House Document Numbered 227,
2 \$5,857.99.

3 TITLE III—GENERAL PROVISIONS

4 SEC. 301. No part of any appropriation contained in this
5 Act shall be used to pay the salary or wages of any person
6 who advocates, or who is a member of an organization that
7 advocates, the overthrow of the Government of the United
8 States by force or violence: *Provided*, That for the purposes
9 hereof an affidavit shall be considered prima facie evidence
10 that the person making the affidavit does not advocate, and
11 is not a member of an organization that advocates, the over-
12 throw of the Government of the United States by force or
13 violence: *Provided further*, That any person who advocates,
14 or who is a member of an organization that advocates, the
15 overthrow of the Government of the United States by force
16 or violence and accepts employment the salary or wages for
17 which are paid from any appropriation in this Act shall be
18 guilty of a felony and, upon conviction, shall be fined not more
19 than \$1,000 or imprisoned for not more than one year, or
20 both: *Provided further*, That the above penalty clause shall
21 be in addition to, and not in substitution for, any other
22 provisions of existing law.

23 SEC. 302. The appropriations and authority with respect
24 to appropriations contained herein shall be available from
25 and including July 1, 1943, for the purposes respectively

1 provided in such appropriations and authority. All obliga-
2 tions incurred during the period between June 30, 1943, and
3 the date of the enactment of this Act in anticipation of such
4 appropriations and authority are hereby ratified and con-
5 firmed if in accordance with the terms thereof.

6 SEC. 303. Appropriations contained in this Act may
7 be used to reimburse the emergency fund of the President
8 for advances made therefrom to meet obligations for pur-
9 poses for which the funds are provided in this Act and for
10 which purposes such appropriations are contained herein.

11 SEC. 304. This Act may be cited as the "Second Defi-
12 ciency Appropriation Act, 1943".

Passed the House of Representatives June 24, 1943.

Attest:

SOUTH TRIMBLE,

Clerk.

78TH CONGRESS
1ST Session

H. R. 3030

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

JUNE 25 (legislative day, MAY 24), 1943

Read twice and referred to the Committee on
Appropriations



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, FIRST SESSION

Vol. 89

WASHINGTON, WEDNESDAY, JUNE 30, 1943

No. 123

Senate

(Legislative day of Monday, May 24, 1943)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we come seeking wide horizons around our noisy days. Through our preoccupied and cluttered lives we would clear a highway for Thy holy purposes. Join us, we pray, with those farsighted souls who, toiling in darkened valleys, have heralded the coming day and lifted men's eyes to the eternal hills.

Midst all the busy shuttles of legislation, as here is woven the fabric of law and order shielding the life of our democracy, may we not be so enmeshed in the immediate mechanics of our task as to lose sight of the total pattern shown in the Mount of Vision. As we have undertaken on this continent a government of, by, and for the people, may we not lack the spiritual quality and a sense of the divine sovereignty without which no such government can long endure. Putting off the works of darkness and putting on the armor of light, may our loins be girt and our lamps burning, and ourselves as men who watch for the coming of their Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 29, 1943, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Burton	Eastland
Andrews	Butler	Ferguson
Austin	Byrd	George
Ball	Capper	Green
Barkhead	Caraway	Guffey
Barkley	Chandler	Gurney
Bilbo	Chavez	Hatch
Bone	Clark, Mo.	Hawkes
Brewster	Connally	Hayden
Bridges	Danaher	Hill
Brooks	Davis	Holman
Buck	Downey	Johnson, Colo.

Kilgore
La Follette
Langer
Lodge
Lucas
McCarran
McClellan
McFarland
McKellar
McNary
Maloney
Maybank
Mead
Millikin
Moore
Murdoch

Murray
Nye
O'Daniel
O'Mahoney
Overton
Pepper
Radcliffe
Reed
Revercomb
Reynolds
Robertson
Russell
Scruggam
Shipstead
Smith
Stewart

Taft
Thomas, Okla.
Thomas, Utah
Tobey
Truman
Tunnell
Tydings
Vandenberg
Van Nuys
Wagner
Wallgren
Walsh
Wheeler
Wherry
White
Willis

Mr. HILL. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Idaho [Mr. CLARK] are detained on important public business.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is unavoidably absent.

The Senator from South Dakota [Mr. BUSHFIELD] is absent on official business as a member of the Indian Affairs Committee.

The Senator from California [Mr. JOHNSON] is absent because of illness.

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The VICE PRESIDENT. Eighty-four Senators have answered to the roll. A quorum is present.

PETROLEUM RESERVES CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, stating that he is in receipt of a letter from the Secretary of the Reconstruction Finance Corporation advising that pursuant to the authority contained in section 5d of the Reconstruction Finance Act, as amended, a new corporation has been created under the name of Petroleum Reserves Corporation, and enclosing certified copies of the charter thereof, to be filed in the office of the Secretary, which, with the accompanying papers, was ordered to be placed on file.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Federal Bureau of Narcotics for the year ended December 31, 1942 (with an accompanying report); to the Committee on Finance.

CLAIM OF PAN-AMERICAN AIRWAYS AGAINST THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Pan-American Airways, Inc., against the United States (with an accompanying report); to the Committee on Claims.

RESOLUTION OF THE MISSOURI SENATE—FLOOD RELIEF PROGRAM IN MISSOURI

Mr. CLARK of Missouri. Mr. President, I present a resolution passed by the Missouri State Senate with reference to the necessity for immediate flood relief and ask that it may be appropriately referred and printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the resolution presented by the Senator from Missouri will be received, referred to the Committee on Commerce, and printed in the RECORD, under the rule.

The resolution is as follows:

Senate Resolution 72

Whereas for the second time within the past month the Missouri River and its tributaries in the great State of Missouri have destroyed homes and places of business, laid waste to growing crops, flooded fertile farm lands, demolished important bridges, and washed away long stretches of valuable Missouri highways; and

Whereas this destruction has brought great financial losses to this heretofore prosperous and energetic people who live in these fertile valleys and in the cities adjacent to these important streams; and

Whereas unless some prompt and concerted effort is made to restore and rehabilitate these homes, these places of business, and these important highways, and unless some aid is given in the replanting of the crops in these fertile valleys, this State and this

Nation will suffer an enormous loss; Now, therefore, be it

Resolved by the Senate of the State of Missouri, That we call upon the Members of Congress and these in high places in Washington, D. C., to act at once in this emergency by throwing the great resources of our National Government behind a substantial rehabilitation program, making it possible for these homes to be rebuilt, these places of business to be restored, these farm lands to be recultivated, and these highways and these bridges to be replaced; and be it further

Resolved, That the secretary of the senate be, and he is hereby, instructed to send a copy of this resolution to the President of the United States, to the Director of the Office of War Mobilization, to Missouri's Senators and Members of Congress, to the Secretary of Agriculture, to the Commissioner of Public Roads, and to the Chairman of the War Production Board, urging their prompt and individual attention to this most important matter.

PETITION

Mr. CAPPER presented a letter in the nature of a petition from Mrs. Wilbur J. Carr (a member of the Woman's Safety Committee of the American Automobile Association), Washington, D. C., praying for the enactment of pending legislation providing for the registration of bicycles in the District of Columbia, which was referred to the Committee on the District of Columbia.

THE SUBSIDY AND ROLL-BACK PROGRAM

Mr. CAPPER. Mr. President, I continue to receive letters and telegrams from leaders of farm organizations and many crossroads farmers asking me to do my best to oppose any legislative proposals in the Congress that will force the roll-back and subsidy program on the country. I am heartily in sympathy with these appeals. I am firmly convinced that it would be a great mistake if farmers were obliged to do business in this country under the subsidy program. I sincerely hope the Congress will head off anything along that line.

I ask unanimous consent to present for appropriate reference and to have printed in the Record two letters of protest I have just received from prominent farm groups in Kansas.

There being no objection, the letters were received, ordered to lie on the table, and to be printed in the Record, as follows:

PHILLIPS COUNTY FARM BUREAU,
Phillipsburg, Kans., June 25, 1943.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: We feel that the subsidies roll-back prices will be of great detriment to us in this part of the country. All of the small packers of meat have been compelled to quit business as they could only break even before the roll-back of prices.

Some towns are practically out of meat now. We also feel that the roll-back will break the agricultural price structure, and we would appreciate your help in defeating the bill.

Yours very truly,

C. L. ZOLLER,
Assistant County Agent.

WILL BRANDON,
President, Phillips County Farm Bureau.

COOPERATIVE EXTENSION WORK IN
AGRICULTURE AND HOME ECONOMICS,
Coldwater, Kans., June 25, 1943.

The Honorable ARTHUR CAPPER.

DEAR SIR: I am county agricultural agent of this county, but I am also owner-operator

of about 960 acres of crop and grass land in this county. I am trying to produce my part of the food to win the war and will contribute my share of the beef, wheat, eggs, etc., to gain this end, therefore, I am writing this as an actual producer as well as county agricultural agent.

From my standpoint, and also the standpoint of every man I have talked to, we do not want and do not need subsidies such as the Office of Price Administration proposes. Subsidies are not the answer to our present problem and, rather than helping our present situation, it will hinder our food program. By all means legislate against all proposed Office of Price Administration subsidies.

The farmers of Comanche County are trying to do the superhuman job of producing food with the available supply of manpower and equipment they have. I believe every farmer in America is doing the same thing. All we want as farmers is some kind of a market for our products so that we can pay the cost of production and have an equal footing with labor as far as net income is concerned. Unless all this talk on price roll-back and subsidies is settled the farmers are going to quit their superhuman efforts to produce. Several farmers now favor a little let-up because they have been given the wrong patriotic talk. For example, to produce more hogs, and now they are in the hog business and cannot get grain or protein feed to produce the hogs they set out to produce.

The whole set-up at present is disturbing to the farmer rather than soothing him into greater production. The beef price roll-back has cost this county \$200,000 at the present time on our beef cattle alone if the present reduced prices carry on to the time we market our feeder cattle. Maybe the situation will right itself, but you cannot say it will until it is done. We are not condemning the entire rationing program as we believe in essential rationing, but we are condemning some of the price fixing and other price policies assumed by the Office of Price Administration. We believe they are out of their field and that Congress should clarify a lot of the wild actions of the various agencies that are all dealing with our food-production program. Better yet, get the program all in one office and maybe that office can agree with its own decisions rather than leave us in the present turmoil we are in.

Thanking you for anything you can do to right our present situation, I remain,

Yours very truly,

H. L. MURPHEY,
County Agricultural Agent.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 29, 1943, that committee presented to the President of the United States the following enrolled bills:

S. 217. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect; and

S. 650. An act to revive and reenact the act entitled "An act granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River at or near Garrison, N. Dak.," approved February 10, 1932.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEWART:

S. 1290. A bill for the relief of William Carroll Knox; to the Committee on Claims.

By Mr. KILGORE:

S. 1291. A bill for the relief of the municipalities of Ceredo and Kenova, W. Va.; to the Committee on Commerce.

By Mr. BRIDGES:

S. 1292. A bill to amend the Servicemen's Dependents Allowance Act of 1942, so as to provide for an increase in the amount of the Government's contribution to the dependents of enlisted men entitled to family allowances under such act; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 1293. A bill for the relief of Cleo Pickrell; to the Committee on Claims.

By Mr. MEAD:

S. 1294. A bill amending section 3540 of the Revenue Act of 1941, "Use of motor vehicles tax"; to the Committee on Finance.

By Mr. PEPPER:

S. 1295. A bill providing for loans to war service persons for educational purposes; to the Committee on Education and Labor.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. LUCAS submitted an amendment proposing to appropriate \$10,000,000 for emergency flood-control work, intended to be proposed by him to House bill 3030, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, notified the Senate that Mr. RANDOLPH and Mr. MOTT had been appointed additional managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2798) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

The message announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2935) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1944, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARE, Mr. TARVER, Mr. THOMAS of Texas, Mr. ANDERSON of New Mexico, Mr. ENGEL, Mr. KEEFE, and Mr. H. CARL ANDERSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 1134) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3026. A bill relating to appointments to the United States Military Academy and the United States Naval Academy in the case of redistricting of congressional districts; and

LE COPY

LEGISLATIVE REPORTS AND SERVICE SECTION
Office of Budget and Finance

SECOND DEFICIENCY APPROPRIATION BILL FOR 1943

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

SEVENTY-EIGHTH CONGRESS

FIRST SESSION

ON

H. R. 3030

AN ACT MAKING APPROPRIATIONS TO SUPPLY DEFICIENCIES
IN CERTAIN APPROPRIATIONS FOR THE FISCAL YEAR
ENDING JUNE 30, 1943, AND FOR PRIOR FISCAL
YEARS, TO PROVIDE SUPPLEMENTAL APPRO-
PRIATIONS FOR THE FISCAL YEAR END-
ING JUNE 30, 1944, AND FOR
OTHER PURPOSES

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

KENNETH McKELLAR, Tennessee, *Chairman*

CARTER GLASS, Virginia

CARL HAYDEN, Arizona

MILLARD E. TYDINGS, Maryland

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JOHN H. OVERTON, Louisiana

ELMER THOMAS, Oklahoma

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GERALD P. NYE, North Dakota

HENRY CABOT LODGE, Jr., Massachusetts

RUFUS C. HOLMAN, Oregon

C. WAYLAND BROOKS, Illinois

STYLES BRIDGES, New Hampshire

EVERARD H. SMITH, *Clerk*

SECOND DEFICIENCY APPROPRIATION BILL, 1943

THURSDAY, JULY 1, 1943

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
UNITED STATES SENATE,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to call, Hon. Kenneth McKellar, chairman of the subcommittee, presiding.

Present: Senators McKellar (presiding), Hayden, Tydings, Overton, McCarran, O'Mahoney, Nye, Holman, and Brooks.

Present also: Senators Lucas and Burton.

Senator McKELLAR. The subcommittee will come to order.

WAR DEPARTMENT

CORPS OF ENGINEERS

STATEMENT OF HON. MICHAEL J. KIRWAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

MOSQUITO CREEK, OHIO

Senator HAYDEN. Mr. Chairman, Representative Kirwan is present, his interest being in a Budget estimate for the construction of a dam and reservoir on Mosquito Creek, Ohio. He and I are conferees on the Department of the Interior appropriation bill. I suggest that you hear him first; then I should like to make a brief statement to the committee.

Senator McKELLAR. Before Mr. Kirwan proceeds, I will ask that this Budget estimate be printed in the record.

(The Budget estimate is as follows:)

[S. Doc. No. 74, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING
DRAFT OF A PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATIONS OF
THE WAR DEPARTMENT FOR FLOOD CONTROL, TO MAKE AVAILABLE UNOBLIGATED
BALANCES FOR THE CONSTRUCTION OF A DAM AND RESERVOIR ON MOSQUITO CREEK,
OHIO

THE WHITE HOUSE,
Washington, June 23, 1943.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a draft of a proposed provision pertaining to existing appropriations of the War Department for flood control, designed to make available unobligated balances of such appropriations for the construction of a dam and reservoir on Mosquito Creek, Ohio, authorized as a part of the general comprehensive plan for flood control and other purposes in the Ohio River Basin in Flood Control Acts of June 23, 1938, and August 18, 1941.

The details of this proposed provision, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of

the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision pertaining to existing appropriations of the War Department, as follows:

"WAR DEPARTMENT—CIVIL FUNCTIONS

"CORPS OF ENGINEERS—FLOOD CONTROL

"Flood control, general: Any unobligated balances of existing appropriations heretofore made for flood control, general, and for other purposes specified under this head in the War Department Civil Appropriation Act, 1944, are hereby made available for the prosecution of a dam and reservoir project on Mosquito Creek, Ohio, authorized by the acts of June 28, 1938, and August 18, 1941."

Authorizations contained in the Flood Control Acts of June 28, 1938, and August 18, 1941, provide for the construction of the Mosquito Creek Reservoir, Ohio, as a part of the general comprehensive plan for flood control and other purposes in the Ohio River Basin. The proposed dam site is located on Mosquito Creek, a principal tributary of the Mahoning River, near the village of Cortland, Ohio. The dam will consist of a rolled earth fill embankment about 36 feet high. The reservoir will have a storage capacity of 82,000 acre-feet, which will be utilized for flood-control storage and for stream-flow regulation for industrial water supply during low-water seasons. The estimated cost of the project is \$4,385,000. The War Production Board has reviewed the project for the Mosquito Creek Reservoir and has found it essential to the war effort. It has issued a preference rating of AA-3 for the construction of the work. Evidence available indicates that the reservoir is needed to provide storage for flood control, for domestic-water supply, for pollution abatement, and for industrial supply for the steel industry in the area.

In lieu of requesting an appropriation of new money, it is proposed that Congress be asked to make available for the proposed work any unobligated balances of existing appropriations heretofore made for flood-control improvements. Sufficient unobligated balances are available for the purpose.

The foregoing proposed provision is necessary to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1944. I recommend that it be transmitted to Congress.

Very respectfully,

WAYNE COY,
Acting Director of the Bureau of the Budget.

Senator McKELLAR. You may proceed, Mr. Kirwan.

EFFECT OF HIGH WATER ON STEEL PRODUCTION

Mr. KIRWAN. In the district I represent, Youngstown, Ohio, 11 percent of the steel produced in the United States is made. It is hardly necessary for me to state that steel is one of the most essential things needed toward prosecuting and winning the war. Last Christmas time there was a flood in this area, and 6,000 tons of steel were lost due to high water. Three of the major steel plants of the country were within a half inch of being flooded, and had flooding taken place, all the steel that had been produced there until March or April would have probably been lost. The flood came within a half inch of shutting down three big plants—Republic Iron and Steel, Carnegie-Illinois, and Youngstown Sheet and Tube.

COST OF PROJECT

This proposed dam will stop that high water, and at a cost of only \$4,350,000.

Senator McKELLAR. Do you know how much is in this unobligated or unexpended balance?

Mr. KIRWAN. Why, there is supposed to be \$60,000,000, but this is \$4,000,000 of new money.

Senator HAYDEN. It is \$4,000,000 out of the \$60,000,000.

Senator McKELLAR. All right.

Mr. KIRWAN. Before the Commerce Committee of the Senate in 1941, at about this time of year, the head of the Carnegie-Illinois company said, in substance, this:

For the next 7½ months we shall lose 4,000 tons of steel a month due to low water.

That is enough to complete two 10,000-ton cruisers, 3,000,000 Garand rifles, and also enough steel to finish every reclamation project that is held up now by the War Production Board for the lack of steel. We are losing that amount of production monthly due to low water. In the winter we are losing it due to high water. This dam will correct both of those situations.

A week ago last Monday we authorized \$71,000,000,000 to prosecute the war. Here we should spend \$4,000,000 in order to protect the \$71,000,000,000.

Fifty-two percent of the electric cable made in the United States, that goes into airplanes, tanks, steamships, cruisers, battleships, and automobiles, is produced in this district. We have set aside \$38,000,000,000 to build airplane factories and airplanes and should set aside \$4,000,000 to protect them, in order that we may be sure of producing the material that will go into them. It is a situation that to me seems most ridiculous.

ATTITUDE OF WAR PRODUCTION BOARD

Senator HAYDEN. What is the attitude of the War Production Board now? Does it recommend this?

Mr. KIRWAN. Just last week. The reason why it was not done before and was not included in the House bill was that it did not come from the War Production Board quickly enough. Just last week they released it.

Senator HAYDEN. The War Production Board now recommends the provision of \$4,000,000?

Mr. KIRWAN. They gave a priority—a new Triple A priority—to start immediately on the work. The Budget Bureau has approved this. This is one way, gentlemen, in which you can protect the \$71,000,000,000 with which it is intended to prosecute this war.

DETERMINATIONS OF CORPS OF ENGINEERS

Senator McKELLAR. Has the Corps of Engineers determined what it is going to do about it?

Mr. KIRWAN. Its plans are so well advanced that it is all ready to go to work right now. This comes under the Chief of Engi-

neers. This project was passed and authorized for construction in 1938. The testimony of the heads of the three steel plants, when they appeared before the Commerce Committee in 1941, was that the only thing that would save that steel was the building of two dams. One of the dams is built. I want to call your attention to the fact that the dam was completed last December. It held back 11,000,000,000 gallons of water. With that dam constructed and in operation in December, and the ensuing flood then coming within a half inch of shutting down and flooding those plants, just imagine what would have happened had that dam not been built.

Senator HAYDEN. That was foresight—very good foresight.

Mr. KIRWAN. We have gone through scrap drives throughout the country and have done other things costing hundreds of millions of dollars in order to get scrap; yet we are losing—each one of these corporations is losing—through low water, 4,000 tons of steel a month, because with low water they cannot generate enough power to roll steel. In the wintertime we have too much water; in the summertime we have not enough.

In the year 1939 we were going at only 61 percent of our capacity at the steel plants; yet they had to shut down because of a lack of water. Since 1939 the Government has invested \$150,000,000 in that valley. If we ran out of water in 1939, you can just imagine what we will be up against now, when the Government has invested \$150,000,000 but has made no provisions for water or for safety from floods. So, I am asking, if this committee can see its way clear to do so, to have this item included in the deficiency bill; then not only the city of Youngstown but also the entire Nation will be thankful.

Senator McKELLAR. Are there any further questions?

Senator HAYDEN. I think Mr. Kirwan has made a good case, Mr. Chairman.

Senator McKELLAR. Thank you, Congressman.

DEPARTMENT OF THE INTERIOR

OFFICE OF FISHERY COORDINATION

Senator HAYDEN. I want to bring to the attention of the committee, Mr. Chairman, a Budget estimate which provides for the Office of Fishery Coordination the sum of \$290,000. This Budget estimate was submitted in connection with the Department of the Interior appropriation bill because the Bureau of Fisheries is in the Department of the Interior, but at the time the estimate was submitted there was no authority of law for it. So, by direction of the subcommittee, I brought the matter to the attention of Senator Bailey, chairman of the Senate Committee on Commerce. Senator Bailey said that if a bill was prepared and submitted to his committee, they would give it prompt consideration. That was done, the bill was favorably reported, and it has passed the Senate. That now makes this Budget estimate in order.

Senator McKELLAR. Let the Budget estimate appear in the record at this point.

(The Budget estimate is as follows:)

OFFICE OF FISHERY COORDINATION

On page 404 of the Budget, following the schedule of obligations for United States High Commissioner to the Philippine Islands, insert the following paragraph as a separate item of appropriation:

"Salaries and expenses: For expenses necessary to enable the Office of Fishery Coordination to carry out its functions and activities under Executive Order No. 9204, dated July 21, 1942, and such functions and activities as have been delegated to it by the Secretary of the Interior pursuant to the authority delegated to him under Food Directive No. 2, issued by the Secretary of Agriculture on February 8, 1943 (8 F. R. 1777), including personal services in the District of Columbia and elsewhere; the acceptance and utilization of voluntary and uncompensated services; the temporary employment of persons or organizations by contract or otherwise without regard to the civil service and classification laws or section 3709 of the Revised Statutes; actual transportation and other necessary expenses and not to exceed \$10 per diem in lieu of subsistence, of persons serving while away from their homes without other compensation from the United States in an advisory capacity to said Office; the purchase (not to exceed \$3,500), maintenance, operation, repair, and hire of motor-propelled passenger-carrying vehicles; printing and binding; and purchase in the District of Columbia and elsewhere of items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior,' \$25 0,000."

The purpose of the above estimate is to provide for the administration of the Office of Fishery Coordination during the fiscal year 1944 in connection with the program of maintaining maximum production of fishery products as a part of the national wartime food program.

Senator HAYDEN. The subcommittee looked with favor upon the estimate, but we said we did not feel justified in bringing the amount of \$290,000 to the attention of the Senate with no justification. I just want to say that that is the procedure we took. You will have before you in a very few minutes representatives of the Bureau of Fisheries who can justify the matter. I just wanted to state why it was not in the Interior Department appropriation bill. The only reason was that we thought it was better to proceed in an orderly way, by having the legislative committee pass upon it. That has been done, and the Senate has acted on it.

STATEMENT OF JOHN R. GARDNER, PRINCIPAL ADMINISTRATIVE OFFICER, OFFICE OF FISHERY COORDINATION

Senator McKELLAR. Please state your name and position.

Mr. GARDNER. My name is John R. Gardner. I am the principal administrative officer for the Office of Fishery Coordination. Incidentally, I am liaison officer for the Fish and Wildlife Service.

Accompanying me is Mr. Elmer Higgins, Chief of the Division of Fishery Biology, Fish and Wildlife Service, who has been detailed to the Office of Fishery Coordination as one of the coordination officers.

Senator McKELLAR. This is the matter that Senator Hayden just brought before the committee, the \$290,000 item; is that right?

ITEM IS NEWLY ESTABLISHED

Mr. GARDNER. Yes, sir. The latter came up to you yesterday. I believe, Senator, asking that the committee add this new appropriation item to the second deficiency appropriation bill, being considered. This was initially proposed by the President in Senate Document No.

50 as an amendment to the Interior Department Appropriation Act. The estimate was not included in the bill as reported out by the committee nor as passed by the Senate, because of the fact that there was no specific legislative authorization for an appropriation to finance the Office. That has since been accomplished by Senate bill 1242, which was introduced by Senator Bailey and passed the Senate on June 24. This is merely the authorization for an appropriation to finance the Office. The Office was established by Executive order of the President last July, to coordinate fishery matters among the different Federal agencies.

BROADENING OF OFFICE FUNCTIONS

The initial functioning of the Office has been materially broadened as a result of Food Directive No. 2, issued by the Secretary of Agriculture, delegating to the Secretary of the Interior certain of the authority that he had with respect to fisheries under the wartime food program. The scope of activity of the Office was materially increased as the result of the delegation of authority by the Secretary of Agriculture.

With respect to fishery production, the primary function of this Office now is to do everything that it possibly can to stimulate the production of fishery products and by-products which are in great demand for military, lend-lease, and civilian use.

POSSIBILITY OF BUREAU EXPANDING

Senator McKELLAR. Will not a bureau like this grow rapidly, as all bureaus grow very rapidly after they are established?

Mr. GARDNER. Usually they do if they can sell their program to the committees of Congress and get appropriations to finance them.

Senator McCARRAN. Which they usually do.

Mr. GARDNER. But this is strictly a war agency. The order providing for its establishment provides that it shall continue for the duration of the war and not to exceed 6 months thereafter.

AUTHORITY SETTING UP BUREAU

Senator McKELLAR. You say a law has been passed authorizing this?

Mr. GARDNER. A law has been passed authorizing appropriations.

Senator McKELLAR. Do you have a copy of the law?

Mr. GARDNER. I have a copy of Senate bill 1242, which has passed the Senate and is being considered this morning by Mr. Bland's committee. We have assurance that it will be favorably considered by the House committee. My understanding was, however, that the Senate committee—I believe this expresses the views of Senator Hayden—would be glad to incorporate the estimate in this bill if it got the legislative committee, the Senate Committee on Commerce, to approve it.

Senator McCARRAN. The Senate Committee on Commerce considered it and reported it favorably to the Senate, and the Senate passed it the other day.

Senator McKELLAR. You may proceed.

OBJECTIVE OF BUREAU

Mr. GARDNER. Well, as I say, this is an emergency measure. It has a definite wartime objective, namely, to stimulate the maximum production of fishery products consistent with their conservation.

Senator TYDINGS. Does this contemplate the inclusion of the shell-fish industry?

Mr. GARDNER. Yes, sir.

FARMING OF OYSTERS

Senator TYDINGS. What is this I hear about oystermen being asked to farm, as it were, a certain acreage of oysters?

Mr. GARDNER. Mr. Higgins, will you respond to Senator Tydings' inquiry?

STATEMENT OF ELMER HIGGINS, CHIEF, DIVISION OF FISHERY BIOLOGY, FISH AND WILDLIFE SERVICE

Mr. HIGGINS. In some States along the Atlantic coast private leasing of oyster grounds is permitted by law; in other States there are restrictions and hindrances to that program. It is recognized that the private culture is often more effective than public activity; but where there is strong public sentiment against utilizing of public grounds, then the next alternative is for the State governments themselves to exercise more complete jurisdiction over the planting and cultivation of those grounds and their harvesting.

CONCERN OF FISHERMEN AS TO FUNDS FOR PROGRAM

Senator TYDINGS. I, this morning, received a letter on this subject. As I recall—I just glanced at it before I came here—it is not particularly in opposition to the general idea as enunciated by Mr. Ickes, but there is concern about where they will get the money to do this, as the operations require some capital. They are concerned that if this happens, they will not have the capital with which to do it; therefore, the beds would be taken up by those who did have the capital, while these people would lose the source of their livelihood. They did not make that as an assertion; they made it as a fear.

Mr. HIGGINS. Yes.

Senator McKELLAR. Is it proposed in this directive that the Government should take over the business of producing or raising oysters and producing fish?

Mr. GARDNER. No, no; merely to facilitate their production.

Senator McKELLAR. I should like to have a copy of that Executive order.

Mr. GARDNER. Establishing the Office?

Senator McKELLAR. Yes. Does the bill that has passed the Senate authorize appropriation of \$290,000?

Mr. GARDNER. That bill does not make specific reference to the \$290,000 estimate, which you now have before you, but it is designed to serve as a general authorization for appropriations to finance the Office.

PROPOSED PROGRAM TO BE INITIATED

Senator TYDINGS. What are you going to do under it?

Senator McKELLAR. Yes; it is very important to know that.

Senator McCARRAN. It is an office created by Executive order.

Senator TYDINGS. I am somewhat confused.

Mr. HIGGINS. May I make an explanation.

Senator McKELLAR. We should be glad to have it.

Mr. HIGGINS. The Senator is referring to something quite outside the scope of the Office of Fishery Coordination as such; he is referring to a news release issued by the Secretary of the Interior regarding the plan of developing oyster culture under State auspices and with the technical supervision of the Fish and Wildlife Service. The experts of the Fish and Wildlife Service have proposed this plan.

Senator TYDINGS. Is Mr. Gabrielson in favor of this?

Mr. HIGGINS. Yes.

Senator TYDINGS. I think there is a field where the Federal and State Governments can very materially increase the supplies of all sorts of sea food, and I would be inclined, within reasonable limitations, to support that. However, I am curious to know just what general plan you have for the solution of that.

Mr. GARDNER. You are dealing now with the whole, over-all program of the Office of Fishery Coordination. You are not now talking about your previous inquiry?

Senator TYDINGS. That is right.

Senator McKELLAR. I want to know at the very outset if it is proposed that we should give you \$290,000 and that then you will borrow money from the R. F. C. or from some other organization.

Mr. HIGGINS. The program of oyster culture, that Senator Tydings mentions, is a separate program from this; it is a function of the regular Fish and Wildlife Service.

Senator McKELLAR. I want to know about this \$290,000. You are going to build a bureau under a Presidential directive. I want to know what you propose to do. What do you propose to do when you get the money? The \$290,000 will be spent, for the most part, for personnel.

Mr. GARDNER. I should like to make a complete statement on this matter that, I think, would save your time.

Senator McKELLAR. All right.

THE EXECUTIVE ORDER REGARDING THE BUREAU

Mr. GARDNER. The President, by Executive Order No. 9204, dated July 21, 1941, designated the Secretary of the Interior as Fishery Coordinator and authorized him to designate an officer of the Department of the Interior as Deputy Fishery Coordinator. The order provided that the Secretary of the Interior should designate such part or parts of the Fish and Wildlife Service of the Department of the Interior as he might determine desirable as the Office of Fishery Coordination. The order was issued for the purpose of developing and assuring sustained production of aquatic food supplies essential to the conduct of the war and for the further purpose of coordinating the policies, plans, and programs relating to the war that affect the fishery industries and the aquatic food supplies of the United States,

its Territories and possessions. The functions and activities of the Office of Fishery Coordination are set forth in the text of the order.

PROVISIONS OF FOOD DIRECTIVE NO. 2

Under the provisions of Food Directive No. 2, issued by the Secretary of Agriculture on February 8, 1943 (8 F. R. 1777), the Secretary of the Interior was delegated certain authority with respect to the fishery industry of the United States and its Territories for the purpose of maintaining maximum production of fishery products as a part of the national wartime food program. This involves the supervision of fish-producing and processing operations to assure wise use of critical materials, fishing craft, labor, shipping space, and so forth. The fishery industry of the United States, including Alaska, is of tremendous importance from a food production standpoint. Salmon, as well as other fishery products, are in great demand for military, lend-lease, and civilian use.

DUTIES AND RESPONSIBILITIES OF OFFICE OF FISHERY COORDINATION

The major duties and responsibilities of the Office of Fishery Coordination involve all aspects of a program of production and processing of fishery commodities of as great a magnitude as possible to supply the fishery food and by-product requirements specified by the Food Distribution Administration of the Department of Agriculture to be necessary for the use of Army, Navy, Office of Lend-Lease Administration, Office of Civilian Supply, and other Federal agencies, including the requirements of the civilian populations of the United States, its Territories, and possessions.

FUNCTIONS NECESSARY TO CARRY OUT PROGRAM

The attainment of these objectives necessitates the following types of functions and activities:

Consolidation, concentration, and conversion of fishing and fish-processing industries in order to obtain maximum efficiency and output either by voluntary projects developed cooperatively or by compliance with orders issued by the Fishery Coordinator.

Senator TYDINGS. I do not understand that.

Senator McKELLAR. That means that he can take it over. Explain that.

SITUATION IN ALASKA

Mr. GARDNER. In Alaska, for example, normally there are about 120 fish canneries, each requiring its own fish supply, each requiring manpower and personnel for the operation of the cannery, and the like. Some 70 of the most efficient canneries out of the total number have been selected, and on the basis of cooperative arrangements that have been negotiated and arranged with the industry, only those 70 stations will operate this year.

Senator McCARRAN. Selected by whom?

Mr. GARDNER. By the Coordinator, with the cooperation of the industry.

Senator TYDINGS. Do you mean that the others voluntarily quit?

Mr. GARDNER. They cooperated. They are jointly interested in the operation of the 70.

Senator TYDINGS. What you mean to say is that they are all operating but that only 70 instead of 120 are going to put up the pack in the interest of manpower, efficiency, boats, and so forth. B will take his pack to A's factory; A will pack it under terms mutually agreeable and understood, thereby saving labor, boats, and so forth?

Mr. GARDNER. That is the program so far as salmon is concerned. That is an example.

Senator TYDINGS. Why do you need money provided to carry out that program which you have already carried out without money and, apparently, so efficiently?

COMPULSION IF VOLUNTARY COOPERATION IS NOT FORTHCOMING

Mr. GARDNER. The scope of the program is far beyond the scope of the regular Fish and Wildlife Service appropriations.

Senator TYDINGS. There is no compulsion in any of this? This is an effort to secure voluntary cooperation in the interest of efficiency, labor-saving, and so forth?

Mr. GARDNER. There could be compulsion in the event that voluntary arrangements or agreements are not effected.

Senator McKELLAR. What sort of compulsion?

AUTHORITY FOR COMPULSION

Senator McCARRAN. And where do you get the authority for it?

Mr. GARDNER. Under the War Powers Act.

Senator McCARRAN. To compel them to go into a cooperative arrangement?

Mr. GARDNER. That is right. A similar order was issued just yesterday by the Coordinator of Fisheries with respect to the pilchard fisheries of California primarily. They are going to have to have administrators appointed to enforce those orders, to see to it that the production is channeled to shore plants that are in a position to handle it.

EFFECT OF STRIKING OUT WORD "COMPULSORY"

Senator TYDINGS. If we struck out the word "compulsory" insofar as it applies to that particular line of activity, why could you not accomplish substantially through voluntary cooperation and arrangement what you might otherwise accomplish through compulsion? It is in the interest of everybody to do this, financially. Canneries are now doing it in the canning of foods. One cannery, in addition to its own production, will now can the pack normally produced by another. There is a smaller acreage involved; therefore, it is more profitable for them to operate in that way. But there is no compulsion to that, and it is going on throughout the country.

I think that your proposition is a sound one, but it would seem to me that you would not have to use compulsion. What you need is someone to call these people together and explain the circumstances, pointing out how it would be advantageous to them and to the Government as well in the whole war effort. I believe that you would

get the same result as you would if you went to them and said, "If you do not do this, we will make you do it."

Mr. GARDNER. The success of the program, of necessity, depends upon cooperation on the part of those in the industry. Certainly, I am sure, there is no disposition on the part of the Coordinator to compel.

QUESTION AS TO ENFORCEMENT

Senator McKELLAR. What would you do? Suppose the people with whom you have been cooperating in Alaska, for instance, should not do just exactly what you said. How would you enforce your order, or how would you compel them? What steps would you take to compel them to comply?

Mr. GARDNER. Senator, as an illustration—

Senator McKELLAR. I would like to know what you would do, regardless of what you intend to say in your statement. I want to know what steps you would take to compel those people to get together and do what you said they should do.

Mr. GARDNER. Well, I think we might proceed more intelligently at this point if Mr. Higgins were to explain the pilchard order signed yesterday and tell you what it contemplates.

Senator McKELLAR. I want to see that order, but I want to know what you intend to do to compel compliance if it is not accorded. That is the main question. If you cannot answer it, let the other gentleman answer it.

Mr. GARDNER. I think it would be very beneficial and helpful if Mr. Higgins were to explain the objectives and program set forth in the pilchard order signed yesterday.

Senator McCARRAN. Are you the Coordinator?

Mr. GARDNER. No; Secretary Ickes is the Coordinator and Dr. Gabrielson is the Deputy Coordinator. Unfortunately, he had to leave for Chicago yesterday.

Senator McCARRAN. What is your position?

Mr. GARDNER. I am liaison officer for the Fish and Wildlife Service, but I have been designated as principal administrative officer for the Office of Fishery Coordination.

Senator McCARRAN. You would know what steps you would take to enforce cooperation?

Senator McKELLAR. He certainly ought to know; that is why I am asking him the question.

Senator McCARRAN. I do not know why anyone else should be called upon to answer it. Why would you not know?

Mr. GARDNER. My duties as administrative officer involves personnel and fiscal matters of the Office. I would not say that I would know the very procedure. This is something that is definitely new and novel, so far as we are concerned.

Senator McKELLAR. But when you say or testify that you want authority to compel these fishery packers to do what you desire them to do in order to carry out your plans, I want to know just what and how you are going to compel. What steps will you take? That is a plain question. You are here asking for money, so I want to know how you are going to use the authority. I want to know your plans. What will you do?

Mr. GARDNER. I think that that can best be brought to the fore by explaining this pilchard order signed only yesterday—just what the provisions of the order are.

Senator McKELLAR. I am very sorry to see that we have an Administrator who has come here asking us to agree to a plan but who will not tell us his plan.

Senator McCARRAN. I would like him to tell us about it right at this point.

Senator McKELLAR. Just answer the question. We want you to answer it.

Mr. GARDNER. The provisions of the order will explain the program. Is not that right, Mr. Higgins?

Mr. HIGGINS. Yes.

PREPARATION OF ORDER

Mr. GARDNER. Mr. Higgins prepared the order and is in a better position to explain the provisions of the order and what is contemplated by the order.

Senator TYDINGS. All right.

EFFECT ON OPERATIONS IF CERTAIN LANGUAGE WERE ADOPTED

Senator TYDINGS. Would it seriously impair the fisheries operations you have in mind if in this order we were to put something like this in the way of a proviso:

Provided, That the money herewith appropriated shall be used only for the necessary salaries and expenses of the Office of Fishery Coordination to achieve voluntarily the aims, ends, and purposes for which the order of the President was promulgated.

In other words, I want to help you, and I believe the committee wants to help you, to secure the maximum efficiency in the saving of labor, ships, and what not, in the production of sea food; but if we do this in your case we ought to do it in all cases. Then you will have the Government not only in the fishing business but also in the canning business, in the shoe business, and in every other business, coercing manufacturers. I do not want to start that precedent if I can avoid it, at least by legislative edict.

Mr. GARDNER. I do not want to appear to be evading your query, Senator, but the Office of Fishery Coordination, as I pointed out, was established by an Executive order of the President. Certain functions were given by that order.

Senator TYDINGS. Let us see that order.

Mr. GARDNER. I do not have a copy of it; I have a reference to it in the Federal Register.

Senator TYDINGS. Let us see the order or directive that you prepared.

Mr. GARDNER. I do not have that here, but the Executive order appears in the Federal Register.

Senator McKELLAR. I think you had better get the order and the directive if you want us to do anything.

Senator TYDINGS. I want to know what we are doing.

Mr. GARDNER. The text of the Executive order is set forth in the Federal Register. It should be available here if—

Senator McKELLAR. I know; but it has got to come before this committee; we must act on it.

Senator TYDINGS. We are sympathetic to your objective, but we are questioning the methods. We want to see what the methods are before we put our complete approval on this.

Mr. GARDNER. We would be very glad to bring up copies of the Executive order, of the food directive, of the salmon order, and of the pilchard order.

Senator TYDINGS. Will you bring the President's order, the pilchard order, and the order that Mr. Higgins has prepared, so that we can see what the three things are?

Mr. GARDNER. Yes, sir; we will be very glad to.

Senator McKELLAR. If you cannot answer the question, I want to ask Mr. Higgins: What do you propose to do to compel people to agree, if they do not voluntarily agree?

Mr. HIGGINS. Senator, the authority, it seems to me, would be up to our legal advisers—

Senator McKELLAR. It may be up to your legal advisers, but you are not asking your legal advisers for an appropriation; you are asking this committee, and I am asking you to tell us what you propose to do.

PILCHARD ORDER

Mr. HIGGINS. May I tell you about this pilchard order, with which I am very familiar?

Senator McKELLAR. I am asking you to tell us in your own way, without regard to any order, how you are going to manage this and what you are going to do when you cannot get people to agree voluntarily. What steps will you take?

Mr. HIGGINS. The pilchard fishery of the west coast is the largest single fishery in America. It produces one-fourth of the total fishery harvest in the United States. The catch is canned as sardines. It also produces a tremendous quantity of oil and meal used on the farms of the country to feed chickens and hogs.

Senator TYDINGS. Fish meals.

Mr. HIGGINS. It is very important in agriculture. Heretofore that industry has operated with a surplus of vessels, so when an oversupply was produced in any single port, the catch of the vessel was arbitrarily limited by the shore producing plants, and the catch thereby held down to the facilities of the shore handlers.

The war has taken a great many of the most efficient pilchard fishing vessels out of the fleet. The efficiency of the fleet last year was reduced about 50 percent. The pilchard fleet contains many large new vessels. The best vessels were taken, so production necessarily dropped very considerably.

We propose to use all the facilities that are left to that fishery by allocating vessels among the different ports, to insure no oversupply which will be arbitrarily cut down by limitation and no undersupply which will leave shore plants and their workers idle.

ALLOCATION OF VESSELS

Senator McKELLAR. You say you are going to allocate vessels?

Mr. HIGGINS. Yes; by order.

Senator McKELLAR. You are going to force allocation of those vessels. Are you going to take them over? How are you going to enforce the allocation of private vessels? This may be a funny matter to you, my dear friend, but you will find that it is anything but funny.

Mr. HIGGINS. Please do not misunderstand me. I am very serious.

Senator McKELLAR. We should like to have an answer to the question.

CONTROL PROPOSED OVER PRODUCTION OF PILCHARD

Mr. HIGGINS. We are going to control the production of pilchard to prevent oversupply and prevent undersupply by issuing permits to fish to the fishing vessels on the basis of their application to fish in a particular port—their home port, for example. Where other vessels come into the fishery from distant points, such as those in Puget Sound and Alaska, those vessels will be assigned to ports where there is a shortage of vessels and where production would otherwise fall. By denying their privilege to clear from port, which will be enforced by the Coast Guard, we will have complete control over where these vessels will fish; but the permit which will grant them the right to fish from a particular port will be determined on their own application. Only if it develops that there are too many vessels for the shore plants to handle their catch will these vessels be assigned to other ports. In that case the fishermen will be requested to state their preference in moving to other ports.

Senator TYDINGS. I think I see what you are driving at, and it is not a bad idea altogether. A great deal can be said for it. But is not this true: You have already taken a great many of these vessels everywhere for the use of the Government?

Mr. HIGGINS. Yes.

DEPLETION OF FISHING VESSELS

Senator TYDINGS. You have taken them from the Atlantic coast, the Pacific coast, the Gulf coast, and from Alaska. Now, there are not too many vessels, are there, in any of those ports? As a matter of fact, information which has come to me from as far north as Boston and down south even farther than that indicates that there is a great shortage of fishing boats owned by fishing companies—trawlers, and the like—so much so that I have had requests made of me from as far north as Boston to try to get at least one more vessel for a large concern, so that it could more efficiently operate.

Now, if that depletion has taken place, why do you say what you have said? Why do you say that they have more vessels than they need at a certain port, when every port has been by some percentage depleted?

Mr. HIGGINS. The shortage, in addition to vessels taken for military use, will be in shore labor. Plants ashore are not able to handle as much now as they can in normal times. The efficiency of green labor is very much lower than the skilled labor which has been lost. Last year there was actually an oversupply of vessels in Los Angeles Harbor, which reduced the catch of each vessel to 20 tons, when the normal catch is 50.

CATCH OF 1943 AS COMPARED TO 1942

Senator McKELLAR. How does the catch of the present year compare with the catch of the previous year?

Mr. HIGGINS. The pilchard fishing begins August 1.

Senator McKELLAR. How will the year ending August 1 compare with the production of a year ago?

Mr. HIGGINS. Last season there were produced about 220,000,000 pounds of canned sardines in California.

Senator McKELLAR. I am talking about the production of the whole country.

Mr. HIGGINS. Last year's production was about 3,700,000,000 pounds of fishery products of all kinds, as I recall.

Senator McKELLAR. What will it be this year?

Mr. HIGGINS. The year before it was 4,800,000,000. Then it fell to 3,700,000,000.

Senator McKELLAR. What is it this year?

Mr. HIGGINS. 3,650,000,000 is the estimate, and I think we shall exceed that somewhat because that estimate was made last winter.

Senator McKELLAR. Why was it larger 3 years ago than this year?

Mr. HIGGINS. Because of the loss of facilities—fishery manpower, vessels, and materials.

Senator McKELLAR. There will probably be greater loss this year?

Mr. HIGGINS. No; as a matter of fact, the Coordinator's Office has already secured the return of a considerable number of vessels. Thirty vessels have been returned to the salmon fisheries, and 20 are now due to be returned to the pilchard fisheries. We expect a considerable number—perhaps 20 more—to be returned to the other branches of the fisheries.

POSSIBLE EFFECT OF REMOVING VESSELS TO OTHER PARTS OF THE
UNITED STATES

Senator McKELLAR. I am not familiar with the fishery business other than in a general way, but it seems to me that it would likely stir up a revolution if you were given authority to take vessels from one part of the country to other parts of the country, regardless of whether their owners desire them to go there or not. You are going to do away with the private fishing industry and make it a governmental fishing industry if you are given that authority. That is what will happen.

Mr. HIGGINS. Well, Senator, this is wartime. When we can hope to produce 4,448,000 cases of canned sardines, which is a million cases more than we produced last year, merely by adjusting the flow of raw material, the objective is very worthy.

Senator McKELLAR. But when you undertake to have the Government take it over, that is an entirely different thing with me. I would not be any more in favor of your doing that than I would be in favor of having the Government take over the food business.

Mr. GARDNER. But the Government has; the Government is also telling us how much gasoline we may use.

Senator McKELLAR. That is not correct, because the Congress prohibited the Government from issuing its plan to give bounties and

subsidies to the food business. We still run it as a private business. There is still private business in this country, and it is going to stay in this country.

LETTER FROM THE MAYO WATERMEN'S LEAGUE, INC.

Senator TYDINGS. I should like to read this letter and have you comment on it. It is from the Mayo Watermen's League, Inc., Mayo, Md., and is dated June 25, 1943:

HON. SENATOR TYDINGS,
Washington, D. C.

DEAR SENATOR: The Mayo Watermen's League is asking your assistance in preventing, before it commences, the development of a new branch of governmental control over a surely State industry which if allowed to mature will have a disastrous effect on the economy not only of the individual waterman but on all persons and corporations concerned with the sea-food industry of Maryland.

We refer specifically to the proposal advanced by the Honorable Harold Ickes, Secretary of the Interior, that the present system of raising and taking of oysters be abolished and that there should be substituted therefor a system whereby oysters should be raised under a method described as "Oyster farming under government control and with government assistance."

As you are no doubt aware, individual oystermen are not in any such financial condition as would enable them, even if in complete cooperation, to take over an undertaking of such magnitude, nor have they sufficient capital to enable them to exist until such time as the returns from their investment in such a venture began to come in, if indeed there ever were such returns. Further we do not believe that any combination of oyster packers in the State could raise sufficient capital to underwrite a business of such magnitude.

Under these conditions there are but two alternatives—(1) a combination of businessmen and bankers with sufficient resources to undertake the farming of the entire bay—

meaning Chesapeake Bay—

or (2) the formation of a Federal corporation to take over the sea-food industry from the people and the State of Maryland.

Either of these alternatives will mean the end of the individual oyster gatherer who has since the State of Maryland was settled made his living in and on the water of Chesapeake Bay, as well as the packing houses to whom the watermen have sold their catch. Further, when our boys from the tidewater counties come back from the war, they will find their occupation and living snatched away from them for the benefit of a gigantic corporation, while they have been away offering their lives and health for the protection of their homes and country, and incidentally for the protection of this same corporation that will have stolen from them their livelihood.

Such a corporation, if private, would operate entirely for the benefit of its owners and stockholders and with no thought whatsoever of the welfare of the many in the State who had been injured by its formation and the monopoly created thereby.

On the other hand, we know that with the advent of a Federal corporation into Chesapeake Bay there will be another whittling away of the sovereignty of the State through the promulgation of Federal rules and regulations allegedly to protect the corporation but each in itself continuing the encroachment of the General Government into the local affairs of the State and the very homes of the people.

We therefore ask your assistance in stopping this evil thing while still in its embryonic stage before it attains its full growth to the detriment of the State and the economic ruin of its citizens.

Yours very truly,

ALLAN DAWSON, *President*,
NICHOLAS J. HALPINE, *Secretary*.

I do not say that these men have obtained from the newspaper account a correct picture of what is going to happen, but if their picture is correct I should certainly want to examine, in considerable detail, into a proposal of the magnitude that is contemplated here. There are just hundreds of thousands of people who, directly or indirectly, make a living out of Chesapeake Bay—fisherman, crabmen, oystermen, et cetera. There are not only the people who are on the bay itself, but packing-house communities, the big shipping centers, and the centers for terrapin, ducks, and all sorts of other produce that come off the bay.

POSSIBLE AREAS AFFECTED

While I want to help and will be glad to support an appropriation for voluntary cooperation to coordinate and get the maximum out of this program, I would be very reluctant knowingly to embrace a revolutionary step in my State. It would be the same in Senator Overton's State, on the Gulf, and in Senator Burton's State, on the Lakes. I would be reluctant to go into this thing unless it is going to be very fairly and voluntarily operated and not be coercively intergrated into a system of paternalism which we will never get loose from if we adopt it.

HEARINGS HELD ON BILL GRANTING AUTHORITY

Senator McKELLAR. Were there any hearings held on this bill introduced on June 23, 1943, and reported out and passed the Senate on June 24? It is remarkable. It was introduced on the 23d and passed the Senate on June 24, the legislative day of May 24, 1943.

Mr. GARDNER. That was because it was recognized that it was a very vital matter.

Senator McKELLAR. Who appeared at the hearing?

Mr. GARDNER. Mr. Jackson appeared before the committee. I do not know that any formal hearings were held. He appeared before the committee. Senator Bailey sponsored the bill. It was because of its importance that a meeting was called, the bill was favorably reported, and unanimous consent was obtained in the Senate for its immediate consideration.

Senator McKELLAR. That frequently happens, but this has a very different meaning from what appears on its face. This is said to be a coordination matter, but as we get it here this morning you do not even reply to the question. As we get it here, you would have a right to set up a corporation to take over all the fisheries in this district or some other district, and you could force them to do what you wish.

PROGRAM WOULD NOT AFFECT OYSTER FISHING

Senator TYDINGS. I should like to get you to say whether or not the thought of these watermen, and as you have outlined this, is in line with what the Government proposes to do.

Mr. HIGGINS. May I try to answer?

Senator McKELLAR. We have been trying to get an answer for a half hour.

Mr. HIGGINS. The problem of improving oyster culture is the work of the Fish and Wildlife Service as a bureau of the Department of the Interior. The work in that field has nothing whatever to do with the bill under consideration, which is the work of the Coordinator of Fisheries.

Senator TYDINGS. You do not intend to use a dollar of this money for the oyster business at all?

Mr. HIGGINS. Not in the least. That is regular departmental bureau work and funds and not the Coordinator's work in any sense.

Senator TYDINGS. The appropriation by this committee is specifically to carry out the purposes of this letter from the Budget?

Mr. HIGGINS. Yes. I do want to say, in connection with the letter which you read, that your correspondents are 100 percent right, and the Fish and Wildlife Service will agree with them entirely, because we do not approve or propose or urge anything such as your correspondent understood from that very imperfect news release.

MASTER CORPORATION COMPELLING PROGRAM NOT CONTEMPLATED

Senator TYDINGS. In other words, you are not going to set up a master corporation to go into the States and take over State land, and so on, and compel everybody to adopt certain regulations or abide by certain regulations, and make outlets, and so forth? That is not contemplated and will not be done?

Mr. HIGGINS. There is not the remotest thought of it.

PROGRAM THAT OCCASIONED PRESS RELEASE

Senator TYDINGS. What is it that you are going to do that occasioned this press release?

Mr. HIGGINS. Our oyster experts, who are very familiar with the situation along the whole coast, have proposed a very simple improvement of the present method of oyster cultivation by the States. Until this last session of the Maryland Legislature no one was able to move small seed oysters from county waters to the growing grounds in Chesapeake Bay, which are State waters. That restriction has now been removed by the State legislature, and it is now possible to transplant such oysters from the heads of creeks to the bay, where they will grow and become market stock.

PROPOSED PLANTING OF OYSTER BEDS

Our men propose that the State improve its present practice by taking the seed oysters and planting them on beds already prepared by the State and then open those grounds, when the oysters are ready for marketing, to the public.

Senator TYDINGS. Are you going to plant them on new beds or old beds, or both?

Mr. HIGGINS. Both.

Senator TYDINGS. Will the old beds be closed where there are some mature oysters, while these others are maturing?

Mr. HIGGINS. Probably they will have to, but we would not recommend planting them where there are any paying quantities of oysters.

Senator TYDINGS. I would imagine that you would plant these seed

oysters only on beds that had been pretty well depleted and ought to be restocked.

Mr. HIGGINS. Just cleaned out.

Senator TYDINGS. But beds which are new and have not been depleted would remain open to the oystermen. It would be just like a farmer planting wheat. He would not plant wheat where wheat is growing and can be harvested. But where he had planted wheat at one time, he would plant more wheat and would look after it and not allow it to be harvested until it was mature.

In your plan, what interference will there be with the normal development of oysters in Maryland, Louisiana, Mississippi, or on the west coast?

Mr. HIGGINS. None whatsoever, because we think the State normally, with proper guidance, would plant areas not now producing. When they come to production, the oystermen will be permitted to go in.

Senator TYDINGS. They are doing that in my State now.

Mr. HIGGINS. Not with young oysters I believe. You have been planting oystershells but not young oysters. Now the State plantings of seed oysters will produce marketable oysters in 2 years—at most, 3 years. Then, as planted grounds come into production, those beds can be completely harvested.

Senator TYDINGS. Then, I can assume from your familiarity with the subject that the beds now open, upon determination of the State of Maryland, and other States, will remain open where the beds have not been depleted, and that this program involves only the building up of the depleted beds, where the oyster take would not be profitable anyhow, and that in 2 years or more those beds would be available for the production of food which without this program might not be available?

Mr. HIGGINS. That is quite true.

Senator McKELLAR. Where would you get the money to buy these beds and plant these oysters? Would that come out of this appropriation?

Mr. HIGGINS. No; it is not in this bill at all; that is State operation.

Senator McKELLAR. Interior appropriation?

Mr. GARDNER. No; it would be State operation.

Senator McKELLAR. Suppose the State does not agree to it. Do you want authority to take it?

Mr. GARDNER. No; nothing comes of it, then.

Senator McKELLAR. Well, leaving oysters for a moment, what about fisheries? Suppose some of these men refuse to do as you say or to cooperate as you say. What are you going to do? I have asked you that question a half dozen times and have not got an answer to it.

Mr. HIGGINS. Penalties are provided in the law if these orders—

Senator McKELLAR. What orders? I want to know.

Mr. HIGGINS. Order No. 1838, which was signed yesterday by the Secretary of the Interior.

Senator McKELLAR. Let us have that.

Mr. HIGGINS. I did not bring it with me; I will provide it.

Senator McKELLAR. We might as well suspend this hearing until we get those orders.

ORDERS REQUESTED TO BE FURNISHED TO THE COMMITTEE

Senator TYDINGS. We want the President's order, the Secretary of the Interior's order, the pilchard order, and the order that you have prepared to carry out this particular appropriation.

Mr. HIGGINS. The pilchard order is that order.

Senator McKELLAR. We want all orders.

Senator TYDINGS. As long as you are going to bring those orders, may I ask if you will bring the complete text of the oral suggestion which occasioned these watermen to write to me, so that we may have that in the record and I may advise them whether or not they are included in any of this?

Mr. HIGGINS. I shall provide a copy of the oyster program as soon as it is mimeographed.

Senator McKELLAR. I want you to get together, confer, and determine what you are going to do, what orders you are going to issue, what your plan is, and how you are going to interfere with business. I want you to get together and be able to answer that question.

Mr. GARDNER. Very well, sir.

WAR DEPARTMENT

EMERGENCY FLOOD CONTROL WORK

Senator OVERTON. Mr. Chairman. I wish to speak about an amendment introduced by Senator Lucas, reading as follows [reading]:

[H. R. 3030, 78th Cong., 1st sess.]

AMENDMENT Intended to be proposed by Mr. LUCAS to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, for prior fiscal years, to provide supplemental appropriations for the June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the 17 and 18 insert the following:

WAR DEPARTMENT

CORPS OF ENGINEERS

Emergency flood-control work: To enable the Secretary of War to carry out the provisions of the first section of the Act entitled "An Act to provide for emergency flood-control work made necessary by recent floods, and other purposes" (S. 1134, Seventy-eighth Congress), fiscal year 1944, \$10,000,000.

Senator McKELLAR. Is that in accordance with the bill passed a day or two ago?

Senator OVERTON. That is in accordance with the bill passed by the Senate. The provision of the bill to which the amendment refers has also been passed by the House. The bill is in conference on other amendments introduced by the Senate, which have no direct bearing on this authorization of \$10,000,000. What the Senate has authorized and the House has authorized is as follows [reading]:

That the sum of \$10,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by the recent floods.

Major General Reybold testified before the Senate Committee on Commerce and also before the House committee as to the urgent neces-

sity of an appropriation of this nature. Senator Lucas and I thought it would be very proper for General Reybold to make a statement showing the necessity of the appropriation and immediate action by Congress.

General REYBOLD, will you proceed to make your statement in connection with this amendment?

EMERGENCY FLOOD CONTROL WORK

STATEMENT OF MAJ. GEN. EUGENE REYBOLD, CHIEF OF ENGINEERS, WAR DEPARTMENT

General REYBOLD. These funds, gentlemen, are required to rehabilitate promptly the destruction of flood-protection works that has taken place in connection with the recent floods, particularly with reference to the Wabash, the Illinois, the Missouri, the Upper Mississippi, the White, and the Arkansas River Valleys. It embraces the restoration and strengthening of those levees that have been constructed by the local interests. Ten million dollars is the best estimate that we can give at the moment.

SUFFICIENCY OF ESTIMATE

Senator TYDINGS. Will that be enough?

General REYBOLD. We believe so.

Senator TYDINGS. If it is not enough, I think we should give you sufficient money with which to do the work, because it would be in the interest of the war effort as well as of our peacetime requirements to see that you have all the money necessary to prevent this devastation. As far as I am concerned, although I do not live in that country, I would be inclined to be generous.

BREAK IN LEVEES IN DYER COUNTY

Senator McKELLAR. I read in the papers that some levees had broken in Dyer County and perhaps also in Lake County, Tenn. Have you any record of that?

General REYBOLD. There were some breaks in a highway embankment which forms the levee over there, but not in one of our Federal levees; we have funds that could be applied to the restoration of that embankment.

Senator McKELLAR. Have you examined it enough to say whether it should be applied for rebuilding of the levee that just broke?

General REYBOLD. In answer to your question, Senator, I believe you could leave that matter to the president of the Mississippi River Commission, who has in his hands at the moment sufficient funds to do whatever is necessary to restore that embankment.

Senator McKELLAR. I will take your word for it, and that will end it.

APPLICATION OF FUNDS TO RESTORATION OF LEVEES BUILT BY INDIVIDUALS

Senator BROOKS. Does this provide for the replacement of some of the levees built by individual farmers, and things of that kind?

Some of them built their own levees down along the river, there, and they have been destroyed.

General REYBOLD. Most of the levees to which this request refers are those that have been built by private levee districts and drainage districts.

Senator BROOKS. None of it extends to private levees? I have in mind one farmer in Sangamon County who was farming about 800 acres of land. I think he built his own levee, and it has been wiped out. I wondered if this would include that matter.

General REYBOLD. Yes. I see no reason why these funds should not be made applicable to levees that have been built by individuals.

Senator BROOKS. Thank you.

PURPOSE OF THE FUND

Senator OVERTON. The purpose of this emergency fund is for the immediate repair, restoration, and strengthening of the levees that have been damaged or have been threatened by the flood.

Senator TYDINGS. As a first charge on the money.

Senator OVERTON. After you have expended that fund, as I understand it, you will have prepared a plan of comprehensive flood control for those valleys in connection with those rivers and will submit it to the Congress. I assume that it will call for a much larger appropriation than \$10,000,000?

General REYBOLD. Yes, sir; much more.

CONTEMPLATED SUBMISSION OF COMPREHENSIVE FLOOD CONTROL PLAN

Senator OVERTON. Am I correct in surmising that it is the plan of the Corps of Engineers, after this money is expended, to present this comprehensive flood-control plan or some plan of a permanent nature to deal with floods on those rivers?

REASONS FOR DELAY IN PROSECUTING CERTAIN PROJECTS ON THE ILLINOIS RIVER

General REYBOLD. Yes, sir. On the Illinois River there are already a number of authorized projects for levee systems, but they have not been prosecuted for two reasons: One is that the local interests have failed to comply with the requirements of local cooperation in furnishing rights-of-way; the other reason is that before we could undertake the construction, the war came along, and through directives of the War Production Board we were required to curtail our construction program. That applies likewise to certain levee systems on the Arkansas River and on the White, Wabash, and Missouri Rivers. We hope to incorporate in a flood-control bill, which now is being considered in the House of Representatives, additional levees along these streams, as develops from the recent floods.

SUFFICIENCY OF ESTIMATE

Senator OVERTON. Do you think that the sum of \$10,000,000 will be sufficient? The authority contained in this legislation is for the appropriation of \$10,000,000 as an emergency fund. Do you think that that is sufficient?

General REYBOLD. I believe that that is sufficient to take care of the emergency work of restoring existing levees.

Senator TYDINGS. I hope that when we meet in the fall you will not mind coming before us and asking for additional funds for repairing these levees. As far as I am concerned, I would be glad to support any reasonable appropriation to do that.

Senator OVERTON. There is no question about the urgency of this work?

General REYBOLD. None whatever; it should be prosecuted immediately.

Senator BROOKS. I want you to know that every report I had from Illinois was commendatory as regarding the Engineers' activity during that flood. They did a remarkable job.

General REYBOLD. I am glad to hear that.

Senator OVERTON. General Reybold visited the flood area in person. I think he flew over it and then went back to make an inspection.

General REYBOLD. I flew over it and then went back and contacted the local people. There is no question about the inundations and the tremendous damage that has been done.

Senator McCARRAN. Where will you get the manpower to carry on this work?

General REYBOLD. This emergency work is very much scattered, Senator, and it is mostly machine work with draglines and other equipment.

Senator OVERTON. Senator Lucas is here. He is the author of the amendment.

EMERGENCY FUND FOR FLOOD CONTROL

STATEMENT OF HON. SCOTT W. LUCAS, A UNITED STATES SENATOR FROM THE STATE OF ILLINOIS

Senator LUCAS. I cannot add anything more to what has been said by the General. I think this one thing might be brought out, which is tremendously interesting to me. Under the present law, as I understand it, any plans or specifications laid down by the War Department would have to be laid down on the same basis as the base or the height of the levee is at the present time. The levee could not be built any higher or could not be strengthened; it would have to be rebuilt practically the same as it was. Under this amendment that has been introduced the War Department is given the right to build levees or to reconstruct them to any height that is believed advisable in view of the recent experience there in the valley.

At my home town of Havana, on the river, we had water 3 feet higher than in 1844. It was the highest water known on record. So, this legislation that has been approved by the Commerce Committee gives the Corps of Engineers the right to go in and reconstruct or rebuild these levees in line with recent experience as well as to meet emergencies that might occur outside of a project as a result of a flood.

General REYBOLD. I think we would have to go carefully in increasing the cross section and the grade of these several systems of levees without bringing the matter before Congress, as suggested by Senator Overton a few moments ago.

Senator LUCAS. That is true of the over-all picture, whenever we get ready for the over-all flood-control picture in this country, as a result of the experience we have gone through. But, as I understand the present amendment, it was the intent, if you did want to construct some small piece—some 400 yards or a half mile—at a greater height, you could do it under the present legislation.

General REYBOLD. To strengthen it; yes, we could.

Senator LUCAS. Under the word "strengthen" in the act.

Senator OVERTON. As I understand it, where a levee has been swept away and you are going to reconstruct it, under the enabling act which authorizes you to strengthen the levee you could rebuild the new levee to the proposed new project grade and section if you considered it proper to do so. Where a levee has been entirely swept away, instead of rebuilding it up to the old grade and section, you could build it up to the proposed new project grade and section. I may be wrong about that; I do not know.

General REYBOLD. Well, if I may explain the details of this in a technical way, I should like to do it off the record.

Senator McKELLAR. Let this be off the record.

(There was a discussion off the record.)

Senator OVERTON. I have something else I want to ask the gentleman about.

SANGAMON VALLEY

Senator LUCAS. May I ask one further question?

I would like to ask about Sangamon Valley where the War Department has done a tremendous amount of work.

As I understand it, the water even went over your levees over through the Sangamon Valley in certain places.

General REYBOLD. Yes, sir.

Senator LUCAS. I am correct about that?

General REYBOLD. Yes, sir.

Senator LUCAS. In the reconstruction, if you do any reconstruction at the present time under this \$10,000,000 appropriation, I take it that you have the power and the authority in the legislation to rebuild that levee, or any part of it that you do reconstruct, to the height which you think is necessary under the experience you have had there with the water in the valley.

General REYBOLD. We could out of the \$10,000,000, if we extended—

Senator LUCAS. No; I understand that, but if you were going to build a quarter of a mile—supposing a quarter of a mile went out, would the engineers build that at the same height they built it before in view of the fact you know you are coming along with an over-all program sooner or later?

General REYBOLD. If we were following right along at an early date with bigger levees, as I said to Senator Overton a moment ago, we would build up the destroyed sections to the new grades and sections at once.

Senator McKELLAR. Does any other member of the committee desire to ask any other questions?

Have you anything more to say on this subject?

General REYBOLD. No, sir.

SUPPLEMENTAL ESTIMATE FOR INTRACOASTAL WATERWAY

Senator OVERTON. The Director of the Bureau of the Budget has sent down an estimate suggesting the following amendment to this bill:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of projects heretofore authorized, including the objects and purposes and subject to the conditions specified under this head in the War Department Civil Appropriation Act, 1944, to be available until expended, \$7,025,000.

In support of this recommendation the Bureau of the Budget states (reading):

The act of July 23, 1942 (Public Law 675, 77th Cong.), among other things, authorized the enlargement of the present Gulf Intracoastal Waterway from the vicinity of Apalachee Bay, Fla., to Corpus Christi, Tex., so as to provide a channel 12 feet deep and 125 feet wide.

The War Department, through the Chief of Engineers of the Army, recommended the prompt initiation of work to improve that portion of the Gulf Intracoastal Waterway between Corpus Christi, Tex., and Carrabelle, Fla. That work was recommended also by the Petroleum Coordinator for War, the Chairman of the War Production Board, and the Director of Defense Transportation. Accordingly, on September 9, 1942, a draft of proposed provision pertaining to existing appropriations for rivers and harbors was submitted to the Congress with a view to permitting the use of \$6,485,000 to undertake such portion of this work as could be accomplished within one year. The requested provisions were enacted in the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942.

PROPOSED USE OF FUNDS REQUESTED

Then the Bureau of the Budget goes on to say that most of this money has been expended and that the work which has been authorized has been almost completed between the Mississippi River going east to the terminus of the Gulf Intracoastal Canal and Florida, and that most of the funds now needed is to prosecute the work west of the Mississippi to Corpus Christi. Is that correct?

General REYBOLD. That is correct, sir.

STATUS OF WORK

Senator OVERTON. How much work have you done between the Mississippi, going east, and Carrabelle, Fla.?

General REYBOLD. We hope to complete it by August 31.

Senator OVERTON. You have done some work west of the Mississippi, have you not, on the Intracoastal Canal?

General REYBOLD. Yes, sir. Under the older project we have 9 feet of water through there now.

Senator OVERTON. But not anything under the new project of 12 feet deep and 125 feet wide.

General REYBOLD. No, sir.

NO FUNDS IN SUPPLEMENTAL ESTIMATE FOR FLORIDA CANAL

Senator McKELLAR. Senator Overton, may I inquire if this appropriation affects the question of whether there will be a Florida canal.

Senator OVERTON. Oh, no, indeed; absolutely not. This has nothing

at all to do with the Florida canal. It takes the Gulf Intracoastal Canal as it now is and deepens it and widens it and straightens out some of the bends, but it has nothing whatsoever to do, I assure you, with extending the Gulf Intracoastal Canal across Florida.

Senator McKELLAR. I am glad to hear you say that because I am sure there would be great opposition on the floor.

Senator OVERTON. I am very glad you brought that out.

Senator McKELLAR. If it was just suggested that this \$7,000,000 was to be used for that purpose, the item would be no doubt—

Senator OVERTON. I will ask General Reybold to make a statement on that.

Senator McKELLAR. All right.

Senator OVERTON. Are any funds contemplated to be appropriated under this amendment to be used toward the construction of what is known as the Florida barge canal?

General REYBOLD. No, sir.

Senator McKELLAR. Or any approach to it?

General REYBOLD. No, sir.

Senator McCARRAN. The Intercoastal Canal, when completed, if I understand it right—an approach to the Florida barge canal—that is it would lead into and facilitate the transportation through the Florida barge canal when it is constructed.

General REYBOLD. The funds now requested are to be applied to the existing intracoastal waterway between Corpus Christi, Texas, and Carrabelle, Fla.

Senator TYDINGS. It is nothing new; it is simply an improvement of the old.

General REYNOLD. That is correct.

Senator TYDINGS. It is not a provision for a new project in any manner, shape, or form.

General REYBOLD. Except as modified by straightening out bends and deepening and widening an existing waterway.

Senator TYDINGS. Oh, yes.

General REYBOLD. And taking into consideration.

CANAL BETWEEN THE MISSISSIPPI RIVER AND LAKE PONTCHARTRAIN NEAR
NEW ORLEANS

Senator OVERTON. It is sometimes called the Innerharbor Canal and sometimes the Industrial Canal.

Senator McKELLAR. It is necessary whether you go all the way around Florida or across it.

General REYBOLD. Yes, sir.

Senator McKELLAR. In other words it is only incidentally with the Florida Canal project.

General REYBOLD. Yes, sir.

Senator OVERTON. It is not connected with it at all because we have no Florida barge canal project at all. If a Florida barge canal project is constructed it will connect up with the Gulf Intracoastal Canal and the Atlantic Seaboard Intracoastal Canal, but this appropriation has nothing whatsoever to do with this barge canal or any canal across Florida.

INTRACOASTAL WATERWAY NECESSARY FOR MOVEMENT OF PETROLEUM

Senator McCARRAN. My understanding is it has nothing to do with it and if the Florida Canal were never constructed this work is essential and necessary.

General REYBOLD. We consider it so, Senator.

Senator OVERTON. Will you state why it is so essential now?

General REYBOLD. It is essential in the movement of petroleum and its products from the Texas and Louisiana oil fields.

Senator McKELLAR. If completed, General, would it be some protection against enemy submarines plying in the Gulf?

General REYBOLD. Yes, sir. That is a large traffic over this canal at the moment and has been for a year or more, and I have not heard of any submarines attempting attack. It is an inland protected waterway, Senator.

Senator OVERTON. There is no way for a submarine to enter the Intracoastal Canal unless a submarine would undertake to enter somewhere near Port Arthur and connect up some way.

General REYBOLD. He would not stick his nose in there but he might surface and shell from the outside in certain spots.

Senator McKELLAR. That has not been done yet.

General REYBOLD. No.

Senator OVERTON. In fact it is regarded as a submarine proof channel of transportation, is it not?

General REYBOLD. Yes, sir.

INCREASE IN TRAFFIC

Senator OVERTON. You say the traffic has largely increased in the last year especially with relation to transporting petroleum products.

Do you know about how much it has increased? Do you happen to have the figures with you?

I saw them, not long ago, but it is a tremendous increase I know.

General REYBOLD. Recent records are as follows: On that section of the Gulf Intracoastal Waterway, which has been under improvement, the total water-borne movement of traffic for the calendar year 1942 amounted to 3,545,000 tons, an increase of 16 percent over that which moved in 1941. Within that total the movement of petroleum products amounted to 2,181,000 tons, an increase of 56 percent in the same period. The records for the first few months of 1943 indicate further increases of 30 percent in the total traffic and 36 percent in the movement of petroleum products on this waterway.

MOVEMENT OF PETROLEUM PRODUCTS FROM TEXAS

Senator OVERTON. The petroleum products transported from the Texas field, and the Louisiana field, along this Gulf Intracoastal Canal, and when they reach the Gulf Intracoastal Canal some of them are barged on up the Mississippi River to Baton Rouge, Cincinnati, Ohio, the upper Mississippi, and then up the Ohio River to Pittsburgh. That is true, is it not?

General REYBOLD. Yes, sir.

Senator OVERTON. The other barges ply to the terminus of the canal in Florida where the product is unloaded from the barges and then by pipe line and by rail transported to points of delivery on the eastern seaboard.

General REYBOLD. That is correct, sir.

Senator McKELLAR. Off the record.

(Discussion off the record.)

AMOUNT OF WORK THAT CAN BE COMPLETED WITH FUNDS REQUESTED

Senator OVERTON. One other question, General.

Will this \$7,095,000 appropriation be sufficient to complete the work of deepening, broadening, and straightening the existing channel?

General REYBOLD. We believe that it will be, Senator. We hope to complete the modification of this project to Corpus Christi with these funds.

Senator OVERTON. Most of these funds will be spent from the Mississippi River going west to Corpus Christi?

General REYBOLD. That is correct, Senator.

Senator OVERTON. I think that is all I have to ask.

Senator McKELLAR. Any questions, Senator Brooks, or Senator Burton.

Senator BROOKS. No; thank you.

Senator BURTON. No; thank you.

Senator McKELLAR. Anything further on that subject, General?

General REYBOLD. No, sir.

TEXT OF SUPPLEMENTAL BUDGET ESTIMATE

Senator McKELLAR. The letter of transmittal of the President and the Budget estimate will be inserted in the record at this point.

(The letter of transmittal of the President and the Budget estimate are as follows:)

[S. Doc. 76, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE WAR DEPARTMENT, FISCAL YEAR 1944, FOR THE IMPROVEMENT OF EXISTING RIVER AND HARBOR WORKS, AMOUNTING TO \$7,095,000

THE WHITE HOUSE,
Washington, June 24, 1943.

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation, for the fiscal year ending June 30, 1944, for the War Department for the improvement of existing river and harbor works, to remain available until expended, amounting to \$7,095,000.

The details of this supplemental estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted therewith, with whose comments and observations I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 23, 1943.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration a supplemental estimate of appropriation, for the fiscal year ending June 30, 1944, for the War Department for the improvement of existing river and harbor works amounting to \$7,095,000, to remain available until expended, as follows:

WAR DEPARTMENT—CIVIL FUNCTIONS

Corps of Engineers—Rivers and Harbors

For the preservation and maintenance of existing river and harbor works, and for the prosecution of projects heretofore authorized, including the objects and purposes and subject to the conditions specified under this head in the War Department Civil Appropriation Act, 1944, to be available until expended----- \$7, 095, 000

The act of July 23, 1942 (Public Law 675, 77th Cong.), among other things, authorized the enlargement of the present Gulf Intracoastal Waterway from the vicinity of Apalachee Bay, Fla., to Corpus Christi, Tex., so as to provide a channel 12 feet deep and 125 feet wide.

The War Department, through the Chief of Engineers of the Army, recommended the prompt initiation of work to improve that portion of the Gulf Intracoastal Waterway between Corpus Christi, Tex., and Carrabelle, Fla. That work was recommended also by the Petroleum Coordinator for War, the Chairman of the War Production Board, and the Director of Defense Transportation. Accordingly, on September 9, 1942, a draft of proposed provision pertaining to existing appropriations for rivers and harbors was submitted to the Congress with a view to permitting the use of \$6,485,000 to undertake such portion of this work as could be accomplished within 1 year. The requested provisions were enacted in the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942.

The work has been carried forward as expeditiously as possible and it is now expected that the section of the waterway between Carrabelle, Fla., and Rigolets, La., will be completed by August 21, 1943, and the section of the waterway between New Orleans and Rigolets, La., will be completed by June 30, 1943, and that funds available for work on the waterway west of New Orleans, La., will be substantially expended by June 30, 1943.

The work is of an emergent nature and vital to the prosecution of the war, since it will greatly facilitate the transportation by barges of petroleum and its products from the oil-producing areas along the Gulf coast to the pipe lines terminating at Port St. Joe, Fla., and at Carrabelle, Fla.

The War Department now estimates that the sum of \$7,095,000 is necessary to complete the authorized work between Carrabelle, Fla., and Corpus Christi, Tex. Sufficient dredging plant will be available to carry out the proposed work.

The foregoing supplemental estimate of appropriation is necessary to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1944. I recommend that it be transmitted to Congress.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

CONSTRUCTION OF A DAM AND RESERVOIR ON MOSQUITO CREEK, OHIO

Senator BURTON. This request relates to the construction of a dam and reservoir on Mosquito Creek, Ohio, and I support this as an emergency measure and urgent need.

It relates to the construction of a dam and reservoir as a part of the comprehensive system that has been approved by the Corps of

Engineers in regulating the flow of water at Youngstown where large steel operations are carried on.

That comprehensive system includes a reservoir known as the Milton Reservoir constructed by local people; it includes the Berlin Reservoir now nearly completed by the Federal Government, and this Mosquito Creek Reservoir which has been approved by the Engineers in the past, is now recommended in a special message from the President.

The reservoir is both for flood control and for the regulation of the flow of water when not at flood stages.

Youngstown is a steel center on the Mahoning River, and during the floods of this last winter some of the steel operations in Youngstown were cut off because of the flood, and below Youngstown, the flood came within a few inches of overflowing the protective banks of the river. It is vital for the purpose of flood control, and, in reverse, in the midsummer when there is not enough water to continue the proper flow and to maintain the proper temperature in that river it is necessary to use water stored in the reservoir in order to operate the steel mills at Youngstown at full capacity.

PROVISION FOR PROJECT REQUESTED OUT OF UNOBLIGATED BALANCES

What we are asking at this time is not a new appropriation. We seek to make available an unobligated balance in the amount of \$4,385,000 for the construction of this Mosquito Creek dam and reservoir.

EXTRACT FROM LETTER FROM THE BUREAU OF THE BUDGET

The whole thing is best stated, I think, in three paragraphs which I would like to read from the letter from the Acting Director of the Bureau of the Budget, Wayne Coy. These are the sentences that cover it:

The reservoir will have a storage capacity of 82,000 acre-feet, which will be utilized for flood-control storage and for stream-flow regulation for industrial water supply during low-water seasons. The estimated cost of the project is \$4,385,000. The War Production Board has received the project for the Mosquito Creek Reservoir and has found it essential to the war effort. It has issued a preference rating of AA-3 for the construction of the work. Evidence available indicates that the reservoir is needed to provide storage for flood control, for domestic water supply, for pollution abatement, and for industrial supply for the steel industry in the area.

In lieu of requesting an appropriation of new money, it is proposed that Congress be asked to make available for the proposed work any unobligated balances of existing appropriations heretofore made for flood-control improvements. Sufficient unobligated balances are available for the purpose.

The foregoing proposed provision is necessary to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1944.

THREAT OF FLOODS TO STEEL PRODUCTION

Senator O'MAHONEY. I understand, Senator, that the floods recently came within a thread of putting out the steel production.

Senator BURTON. In Youngstown during this last winter it did stop some of the operations in Youngstown and it came very near stopping a great deal more. Below Youngstown it came within a few inches of stopping substantial operations. The Mosquito Creek Reservoir is a

part of the comprehensive program, and it will help tremendously both on the flood control and on the low water. The reservoir is vital to maintain production in the steel mills when the water drops so low and gets so hot in the river that it is necessary to use stored water in order to have the proper temperature for efficient steel production.

Senator O'MAHONEY. If the item goes in will the engineers undertake it immediately?

General REYBOLD. Yes, sir.

Senator O'MAHONEY. And it can be constructed without delay?

General REYBOLD. Yes, sir.

REGULATION OF FLOW OF WATER IN MAHONING RIVER

Senator McKELLAR. The gentleman testified to it before you came in, I think, Senator. He said that it was necessary to build this other dam, or second dam, in order to prevent water from being too high in the wintertime and too low in the summertime, and that was a thought that struck me as peculiar, and I would like for either you or General Reybold, either one or both, to tell us just how that works out.

I am in favor of the project, I will say.

Senator BURTON. The General can put it in technical language, but I can make a simple statement of it.

We had a flood there last December 30 and in January, in the wintertime, and that flood pouring down this Mahoning River through these creeks actually flooded and shut down some of the steel mills in Youngstown, and very nearly did so below Youngstown.

During the summer the water becomes so low and there is such a small trickle of water down the river that when it is used over and over it becomes hot and polluted, so that if this reservoir is put in it will gather water in the flood season and will regulate the stream flow during the summer season.

Senator O'MAHONEY. That is what is done in all the reclamation projects.

Senator HOLMAN. It balances the flow.

Senator TYDINGS. The ever normal granary.

Senator BURTON. I would like to have the General's comment.

General REYBOLD. I think the Senator has made a very good explanation.

USE OF UNOBLIGATED FUNDS FOR PROJECT

Senator OVERTON. Instead of making an out-and-out appropriation of funds for this very meritorious project—it is just above Youngstown, is it not?

Senator BURTON. Yes.

Senator OVERTON. I want to say it is a very meritorious project so far as I am able to understand it, and I am making no objection to its being constructed and the appropriation made for it, but instead of making an out-and-out appropriation the recommendation is that the sum of \$4,385,000 be taken out of the unobligated balances of the flood control, general.

My recollection is you have a little over \$30,000,000 of unobligated flood-control funds but considerable inroads have been made on the

unobligated balances. I think something over \$20,000,000 was taken before we had up the allocation of unobligated balances for the Hartford, Conn., the Mermentaux, and the Tech-Vermillion. Will you have enough to take care of this Mosquito Creek dam?

General REYBOLD. Yes, sir.

Senator OVERTON. And there is enough to go around, is there?

General REYBOLD. Yes, sir.

Senator OVERTON. All right; then it is all right. Would you suggest this, rather than an additional appropriation, if I may ask you that question?

General REYBOLD. Yes, sir.

Senator OVERTON. It looks like we are having such tremendous demands made now for flood control that we will have to start appropriating. We did today. We appropriated \$10,000,000—that is, an amendment has been offered.

Senator McKELLAR. The estimated cost here is \$4,385,000; that is correct, is it not?

General REYBOLD. Yes.

Senator McKELLAR. Any other questions?

Senator OVERTON. Here is the point I want to bring out, because I am very much interested in flood control.

There is no telling what other demands may come on us to use the unobligated balances, and I don't want them to be so depleted that the Chief of Engineers cannot move in in a moment, without coming to Congress, and use that for some emergency work, and I do not want to see it depleted where he will have to wait until Congress reconvenes after this recess and come in and ask for a deficiency appropriation to supplement this unobligated balance.

REMAINING UNOBLIGATED BALANCE

Senator McCARRAN. How much will the unobligated balance be after taking this out?

General REYBOLD. We will have about \$12,000,000 left.

Senator McCARRAN. After the Ohio is taken care of?

General REYBOLD. Yes, sir.

Senator OVERTON. I understood you had \$21,000,000 taken out of this unobligated balance. That was about a month ago, was it not?

Colonel GOETHALS. Yes, sir; we made those allotments to the field during the month of June.

General REYBOLD. Off the record.

(Discussion off the record.)

Senator McKELLAR. I should think that this program in Ohio is absolutely necessary, for this reason:

We are short of steel, and we ought not to jeopardize the steel supply by not taking every precaution we can.

Senator OVERTON. There is no question about that. It is a question whether we should make a new appropriation rather than deplete the unobligated balance so that the Chief of Engineers may not be in position to meet emergencies.

Senator O'MAHONEY. When the Bureau of the Budget set up this estimate it must have been satisfied that there were sufficient funds in the unobligated balance to take care of this and other emergency

situations. Otherwise, it would be a sort of reckless recommendation, and it seems to me that the figures ought to be available to satisfy the inquiry that Senator Overton makes, showing that your unobligated balance is sufficient to take care of whatever other commitments ought to be taken care of, and this, too. That is the question the Senator asks.

STATEMENT OF UNOBLIGATED BALANCE. FLOOD CONTROL, GENERAL.
JUNE 30, 1943

Senator OVERTON. Will you insert in the record then a statement of the unobligated balance of flood control, general, of June 30, 1943, with all sums that have been earmarked, including the Mosquito Creek Dam and see what balance will be left?

General REYBOLD. Yes, sir.

Senator OVERTON. Will you do that?

General REYBOLD. Yes, sir.

(The information requested follows:)

Flood control, general, funds

Estimated unobligated balance, June 30, 1943-----	\$62,000,000
Less:	
Amount required for approved program for fiscal year 1944 including all items added to the civil functions appropriation bill as enacted-----	\$29,000,000
Amount required to cover commitments for approved program for fiscal year 1943-----	17,000,000
	<hr/> 46,000,000
Free balance-----	16,000,000

The above free balance could be used for the Mosquito Creek Reservoir, \$4,385,000, and for emergency flood repairs under the pending authorizations for that type of work, \$10,000,000, leaving a free balance of \$1,615,000. If this is done, there will be practically no funds left to cover the possible resumption of work on the large power projects as contemplated by the War Production Board request to the Budget that funds heretofore provided for such projects be held available in case it should be found that improved conditions will permit the work to be resumed.

DEVELOPMENT OF STEEL INDUSTRY IN THE WEST

Senator O'MAHONEY. Mr. Chairman, I just want to make a comment which I think is appropriate at this time.

I feel as the chairman does, that this is a project which ought to be approved without any question at all.

Senator OVERTON. I agree with that.

Senator O'MAHONEY. I think, however, it emphasizes the correctness of the action that this committee has taken on the Interior Department bill in recommending an appropriation for the development of the steel industry in the West.

There are great deposits of iron ore in the West which remain untouched.

The steel industry has been concentrated in certain areas in the hands of companies which have tried to obstruct the development of the steel industry in the West.

This is an illustration of the dangers that come from too much concentration.

I am altogether with the Representatives and Senators from Ohio who are urging this appropriation. We have got to save the steel industry there, but we can also see that it is developed in other areas of the country, too.

Senator BURTON. If I may state, Mr. Chairman, I supported the proposal of Senator O'Mahoney when it came up some time ago.

Senator O'MAHONEY. I know you did.

Senator BURTON. And I do know there is need for the development of the steel industry in the West and also in the East.

Senator McKELLAR. Any other questions, gentlemen?

USE OF UNOBLIGATED BALANCES FOR RESCUE WORK AND CERTAIN PROJECTS

Senator OVERTON. These unobligated balances you have are used for rescue work, too, are they not, in flood emergencies? That was the authorization.

General REYBOLD. Up to \$1,000,000. There is a limitation under flood control, general, of \$1,000,000 that might be used, Senator.

Senator OVERTON. Under the appropriation that we have passed here in the War Department civil functions bill we did authorize you to use unobligated balances for rescue work as well as for certain projects therein mentioned and also for plans and specifications by the Army engineers.

General REYBOLD. Yes, sir.

Senator OVERTON. So all those things have got to come out. That is the reason why I would rather make, if necessary, an additional appropriation.

General REYBOLD. We have no objection to an appropriation. We could not possibly object to it.

Senator OVERTON. I think that is a wise and a sound policy.

General REYBOLD. But the Budget officials said they preferred that it be taken from unobligated balances.

Senator OVERTON. We ought to have it on hand; there is no question about that.

TEXT OF SUPPLEMENTAL ESTIMATE

Senator McKELLAR. We are very much obliged to you, gentlemen. The estimate will be inserted in the record at this point.

(The Budget estimate referred to follows:)

[S. Doc. No. 74, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING DRAFT OF A PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATIONS OF THE WAR DEPARTMENT FOR FLOOD CONTROL, TO MAKE AVAILABLE UNOBLIGATED BALANCES FOR THE CONSTRUCTION OF A DAM AND RESERVOIR ON MOSQUITO CREEK, OHIO

THE WHITE HOUSE,

Washington, June 23, 1943.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a draft of a proposed provision pertaining to existing appropriations of the War Department for flood control, designed to make available unobligated balances of such appropriations for the construction of a dam and reservoir on Mosquito Creek, Ohio, authorized as a part of the general comprehensive plan for flood control and other purposes in the Ohio River Basin in the Flood Control Acts of June 28, 1938, and August 18, 1941.

The details of this proposed provision, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision pertaining to existing appropriations of the War Department, as follows:

WAR DEPARTMENT—CIVIL FUNCTIONS

CORPS OF ENGINEERS—FLOOD CONTROL

Flood control, general: Any unobligated balances of existing appropriations heretofore made for flood control, general, and for other purposes specified under this head in the War Department Civil Appropriation Act, 1944, are hereby made available for the prosecution of a dam and reservoir project on Mosquito Creek, Ohio, authorized by the acts of June 28, 1938, and August 18, 1941.

Authorizations contained in the Flood Control Acts of June 28, 1938, and August 18, 1941, provide for the construction of the Mosquito Creek Reservoir, Ohio, as a part of the general comprehensive plan for flood control and other purposes in the Ohio River Basin. The proposed dam site is located on Mosquito Creek, a principal tributary of the Mahoning River, near the village of Cortland, Ohio. The dam will consist of a rolled earth fill embankment about 36 feet high. The reservoir will have a storage capacity of 82,000 acre-feet, which will be utilized for flood-control storage and for stream-flow regulation for industrial water supply during low-water seasons. The estimated cost of the project is \$4,385,000. The War Production Board has reviewed the project for the Mosquito Creek Reservoir and has found it essential to the war effort. It has issued a preference rating of AA-3 for the construction of the work. Evidence available indicates that the reservoir is needed to provide storage for flood control, for domestic-water supply, for pollution abatement, and for industrial supply for the steel industry in the area.

In lieu of requesting an appropriation of new money, it is proposed that Congress be asked to make available for the proposed work any unobligated balances of existing appropriations heretofore made for flood-control improvements. Sufficient unobligated balances are available for the purpose.

The foregoing proposed provision is necessary to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1944. I recommend that it be transmitted to Congress.

Very respectfully,

WAYNE COY,
Acting Director of the Bureau of the Budget

FEDERAL COMMUNICATIONS COMMISSION

STATEMENTS OF GEORGE E. STERLING, ASSISTANT CHIEF ENGINEER; AND GEORGE S. TURNER, FIELD DIVISION ENGINEERING DEPARTMENT, FEDERAL COMMUNICATIONS COMMISSION

Senator McKELLAR. Will you give your name and position to the reporter?

Mr. STERLING. My name is George E. Sterling, Assistant Chief Engineer, Federal Communications Commission, and this is Mr. George S. Turner, Assistant Chief, Field Division, Engineering Department.

Senator McKELLAR. Is this the item of \$358,000 that you have a Budget estimate for?

Mr. STERLING. Yes, sir.

Senator McKELLAR. Will you state what you are going to do with the money and all about it?

RADIO TRAINING PROGRAM

Mr. STERLING. The Bureau of the Budget submitted this as an authority to permit us to expend this sum from our present current fiscal year appropriation to engage in a radio training program for the purpose of training radio operators to man our various monitoring stations throughout the Nation.

DUTY OF MONITORING STATIONS

These monitoring stations are engaged in providing a continuous surveillance over the entire communications spectrum to guard against its use for illegal and subversive purposes.

Senator McKELLAR. Is that not one of the duties of the F. B. I.? Would you not be treading on their preserves?

Mr. STERLING. We collaborate with the F. B. I., sir.

Senator McKELLAR. You would if you got this appropriation, but does not the F. B. I. do this work now?

DUTY OF COMMISSION UNDER COMMUNICATIONS ACT OF 1934

Mr. STERLING. Under the Communications Act of 1934 the Commission is charged with the duty of licensing radio stations and operators, and with so much radio activity on the air everyone appeals to us to determine whether or not the stations are duly authorized and licensed to operate.

COOPERATION WITH FEDERAL BUREAU OF INVESTIGATION

Senator TYDINGS. When you detect a station that is operating illegally you send that information to the F. B. I. and they run it down and see who is involved and lay a trap and make the arrest, but does it stem from your original work?

Mr. STERLING. Yes, sir; if it involves subversive activity.

Senator TYDINGS. The F. B. I. does not of its own initiative take this up without you put them wise; is that right?

Mr. STERLING. They do some monitoring investigation of suspects, but they also, sir, provide us with suspects they want us to investigate by providing a monitoring surveillance.

Senator TYDINGS. Have they experts who can go into the radio field?

Mr. STERLING. They have a modest number, I am informed.

Senator TYDINGS. Have they enough to do the job?

Mr. STERLING. I am not informed.

Senator TYDINGS. How many do you have?

NUMBER OF EMPLOYEES

Mr. STERLING. In the Radio Intelligence Division of the Federal Communications Commission we have 731 in the field service.

Senator TYDINGS. How many do you think they have, as nearly as you have been able to estimate it? I am speaking of the F. B. I.

Mr. STERLING. I would approximate that they have 25 or 30 radio men.

Senator TYDINGS. So this is an operation of the seven-hundred-odd men that you have already in your Division?

Mr. STERLING. Yes, sir.

Senator McKELLAR. And you want to add to it, do you not?

Mr. STERLING. No, sir. This is for the purpose of the trainee program which is to replace those who are being inducted into the armed forces or released to accept commissions.

Senator TYDINGS. How much money are you asking for?

Senator McKELLAR. \$358,000.

NUMBER OF MEN TO BE TRAINED

Senator TYDINGS. How many men will that train?

Mr. STERLING. Three hundred men in the course of a year.

Senator TYDINGS. How many have you lost since the beginning of the war, from this operation?

Mr. STERLING. I am not prepared—

Senator TYDINGS. Could you give me an estimate of the figures just as to losses so we can see to what extent—

NUMBER OF EMPLOYEE VACANCIES

Mr. STERLING. At the present time, Mr. Senator, we have a total of 89 vacancies in the field service doing this kind of work.

NEED FOR TRAINING PROGRAM

Senator TYDINGS. Why are you training 300?

Mr. STERLING. We have made some estimates in the various age groups like 18 to 25, and 18 to 35, whom we expect—

Senator TYDINGS. Your program is envisaged only to take care of those who have gone or you anticipate losing, or are part of them extras?

Mr. STERLING. No; there are no extras.

Senator TYDINGS. Will these men, when they are trained, all fill in your organization or will some of them work on a voluntary basis?

Mr. STERLING. No, sir; they will be employed on a paid full-time basis.

Senator McKELLAR. Have you tried to get these employees?

Mr. STERLING. Have we tried, sir?

Senator McKELLAR. Yes, sir. You say you have got 89 vacancies.

Mr. STERLING. Yes, sir.

Senator McKELLAR. What steps have you taken to fill these vacancies?

Mr. STERLING. We have requested Civil Service Commission to continuously certify eligibles for these vacancies; we have made known our operative needs and our engineering position vacancies in the field offices and monitoring stations. At the request of the War Department, our intercept officers cut broadcasting stations off the air when

radio silence is invoked and restore them to service when the emergency is over. Our engineers test equipment for ships to be sure that the receivers employed in the merchant marine do not emit a signal that can be detected by enemy submarines.

TRAINING PROGRAM TO INCLUDE MEN ABOVE DRAFT AGE AND WOMEN

Senator OVERTON. Are you going to train for work those that are not subject to draft?

Mr. STERLING. That is our intention.

Senator OVERTON. Then you will have to take old men, will you not?

Mr. STERLING. This program envisages training of women, as well as men who are physically handicapped to the extent they will not be inducted into the armed forces but can fill certain positions in our service.

We are also requesting the collaboration of the War Manpower Commission, Veterans' Employment Service, to make known the positions we have in our service.

DEFERMENTS REQUESTED

Senator TYDINGS. How many men have you asked to be deferred from the draft who are in this work, and if so, why? Give us the approximate figure and put the corrected figure in the record, if you can.

Mr. STERLING. Unfortunately, sir, I came here without much notice.

Senator TYDINGS. Have there been some?

Mr. STERLING. Yes. The figures have been made to the War Manpower Commission, and to the Costello committee, which is investigating.

Senator TYDINGS. Have there been many?

Senator OVERTON. That is who requested deferment?

Senator TYDINGS. Yes; requested deferment by the commission, or approved by the commission.

Well, will you supply the figures for the record?

Mr. STERLING. Yes.

(For the information requested, see p. 149.)

UTILIZATION OF SERVICES OF THOSE TRAINED

Senator TYDINGS. And I would be interested, in connection with that, to have you answer this question.

Is it contemplated that these 300 people that you are going to train will be able to take the places of any that heretofore, due to a shortage of men, you have asked deferments for or approved deferments for because no trained personnel was available to take the place of them?

Mr. STERLING. Yes, sir.

Senator TYDINGS. In other words, if you get these 303 trained employees it will be possible, where deferments have been asked, to cancel your request for those deferments and make them available for the armed services?

Mr. STERLING. That is the intention.

Senator TYDINGS. And replace them with others?

Mr. STERLING. That is right.

Senator TYDINGS. And if you do not get these 300 then you will be in your same position of asking that these deferments be granted because you have no trained personnel?

Mr. STERLING. If we are to continue this work, and it is deemed essential.

Senator TYDINGS. So a part of your request is not only for vacancies that now exist but for vacancies you contemplate will exist, plus those you want to get out of the deferment end of it as well and replace them with men who will not be called for military service.

Mr. STERLING. That is right.

Senator TYDINGS. And clean out your deferment requests completely.

Mr. STERLING. In that connection our Agency Committee submitted to the War Manpower Commission the names of positions which they have nominated as key positions. The Manpower Commission has not decided or reported on that.

Senator TYDINGS. Let me read this in the record. This is in the House hearings on the independent offices appropriation bill for 1944:

NUMBER IN DEFERRED STATUS IN JANUARY

Mr. WIGGLESWORTH. Now, on the matter of deferments you tell me there have been 442 at one time or another, and I understand there are 391 in the deferred status still on the rolls of the Commission. Do you contemplate that those deferments will be for the duration?

Mr. FLY. We hope that these deferments will be for the duration.

Mr. WIGGLESWORTH. For all the 391?

Mr. FLY. Well, I would not want to speak for every individual, but I can tell you what the group is composed of. It is a group of the various specialists in this most essential field of war activities which themselves are highly specialized, and I am perfectly satisfied in the correctness of the conclusion that they would do a more significant war job right where they are now and where they are qualified for the particular job they fill than if they were pulled out and sent into the Army or the Navy, taking the chance of getting them on work where they are not particularly qualified and have us fall down in the efficiency of the service that we are trying to supply the Army and the Navy.

Now, there were 391 and you have only got a program for 300 replacements, as I recall.

Senator OVERTON. Are they all radio operators?

Senator McKELLAR. He wants to train 300, but he has not got but 89 vacancies.

Senator OVERTON. But the testimony you have just been referring to, is that for radio operators?

Senator TYDINGS. No. I understand these are technical men throughout the whole Commission.

What percentage of them would you think would be in the category of the training you propose to do under this appropriation?

Mr. STERLING. Of the figure mentioned in there, sir?

Senator TYDINGS. Yes, sir; of the 391.

Mr. STERLING. I would estimate that probably 85 to 90 percent because possibly 10 percent of those represent certain employees in the Foreign Broadcast Intelligence Service.

Senator TYDINGS. Let us take 90 percent as the figure; 90 percent of 391 would be, roughly, 350.

You also have 89 vacancies, so that really to take out all you feel you could spare would require a program of around 350 to 360 per-

sons. Otherwise you are going to have, from what you indicate, more deferments in your group than you need to have if you could get replacements under your training program. Is that not correct?

Mr. TURNER. May I say a word in connection with your questions you raise there?

Mr. STERLING. Go right ahead.

Mr. TURNER. I believe the number Mr. Fly indicates includes deferments in the various categories.

Senator TYDINGS. In all categories.

Mr. TURNER. In all categories. Our program here contemplates providing replacements for those that are most vulnerable, not for all deferments that we have requested.

EFFORTS MADE TO FILL VACANCIES

Senator McKELLAR. What efforts have you made to get men to take these places without spending this very large sum for training?

You need now 89 men and you are asking for money to train 300.

When you train those 300 you cannot put but 89 in place and there you have 211 that are without jobs that you have trained.

It seems to me that it is a very uneconomical way of getting your men. It seems to me by making special efforts to get them you could get them if you need the 89 and you have 731 already. There is a war going on and the F. B. I. is doing a good job at running down all these things, and you say they are doing a good job with 30 men I have not heard any trouble about this radio business.

Mr. TURNER. They depend on us, you see.

Senator McKELLAR. I imagine they would if you have got an organization of 731; I should think they ought to rely a good deal on you.

Mr. STERLING. May I offer these exhibits as evidence of some of the work that is performed?

We are collaborating with the State Department, the War and Navy Departments—

Senator McKELLAR. There is so much collaboration going on that I am afraid you are not doing much work.

LENGTH OF TIME REQUIRED TO TRAIN AN EMPLOYEE

Senator OVERTON. How long will it take to train a regular operator?

Mr. STERLING. We estimate from 5 to 6 months for our type of work. We do direction finding.

Senator OVERTON. How much per man or woman?

Mr. STERLING. Sir?

PER CAPITA COST OF TRAINING

Senator OVERTON. How much does it cost per man or woman to train individuals, all costs?

Mr. STERLING. We estimate paying the total cost—

Senator OVERTON. It figures \$1,000 a man.

Senator McKELLAR. It is \$1,000 according to this appropriation.

Senator OVERTON. It is \$1,000 for each.

Mr. STERLING. Yes.

Senator OVERTON. How much do you pay them?

PAY OF TRAINEES

Mr. STERLING. We propose to pay them \$1,440 a year while they are being trained.

Senator McKELLAR. And now you are going to turn them off when you do not need but 89?

TRAINING PROCEDURE

Mr. STERLING. This program, sir, intends only to recruit a certain number and putting them through a school and then filling vacancies that then exist, and during the course of the year recruiting another group and putting them through school so we can have continuously available trained groups to fill vacancies.

Senator TYDINGS. I notice these figures I read were given on January 15, 1943, the 391 for whom deferments were requested.

DEFERMENTS CANCELED SINCE JANUARY

Since January 15, 1943, how many have been inducted whose deferments have been canceled?

That is, in the last approximately 6-months period have you lost men for the Navy or Army who were deferred as of January 15, 1943?

Mr. STERLING. Yes, sir; we have.

Senator TYDINGS. How many? Approximate and put the correct number in the record when you ascertain it.

Mr. STERLING. From June 10—you see since that testimony there has been created by Executive order, or rather War Manpower Order 3609, an agency committee in each Federal agency—

Senator TYDINGS. Let me explain what I am trying to get at, and in order to get senatorial approval it is a question to be answered.

In January you had 391 men deferred. Obviously you asked for their deferments because you thought they were irreplaceable at that time.

You have got 89 vacancies now. You have a replacement program for 300.

In response to a previous question the answer was given that you thought you would lose more in the near future and therefore your training program was to fill out not only the 89 vacancies but those that would occur in the future.

Why will you lose 211 more men if not by service into the armed forces, because if you have only 89 vacancies it stands to reason you are going to lose 211 besides those 89, and I want to know why you are going to lose them, and if they are deferments of people who have not yet been called you will be called upon to show us the need for the 300.

So far there has only been a case made up for 89 vacancies, so far as I understand.

NUMBER OF APPLICATIONS FOR DEFERMENT FILED WITH AGENCY COMMITTEE

Mr. STERLING. I might state since our agency committee went into action from June 10, 240 applications were submitted to them requesting consideration for deferment.

Senator TYDINGS. June 10 of this year?

NUMBER APPROVED AND DISAPPROVED

Mr. STERLING. Yes, sir. They disapproved 13.

Senator TYDINGS. That left you 227; is that right?

Mr. STERLING. Yes, sir.

Senator TYDINGS. They approved 227 deferments. What happened to the difference between the 391 and the 227 who are now deferred?

In other words there were 391 deferred as of January 15, 1943. According to your statement there are 227 who were deferred as of June 10, 1943. What happened to those who were originally deferred on January 15 who were not deferred on June 10?

Mr. TURNER. The agency committee, Mr. Senator, passes on these requests.

Senator TYDINGS. I understand, but are they in the service?

Mr. TURNER. They are in the Commission and as their deferments expire, most of these men have 6 months' deferments—

Senator TYDINGS. In other words they are still with the Commission and subject to the draft now and no deferments are available for them.

Mr. TURNER. Deferments are outstanding.

Senator TYDINGS. So if you subtract 227 from 391 how many does that make?

Mr. TURNER. That will not give you—

Senator TYDINGS. It gives you 164.

Mr. TURNER. Yes.

Senator TYDINGS. And you have got 89 vacancies. If you add to the 164 the 89 vacancies you have 253, do you not?

Mr. TURNER. Yes, sir.

Senator TYDINGS. Sir?

Mr. STERLING. That is right.

Senator TYDINGS. Why do you want 47 more than 253, which will restock your staff?

Mr. STERLING. Every week, sir, other men come up—

Senator TYDINGS. But you have taken your 391.

REQUEST MADE OF CIVIL SERVICE COMMISSION FOR NEW APPOINTMENTS

Senator McKELLAR. Have you no applications for these jobs?

Mr. STERLING. For these positions?

Senator McKELLAR. Yes.

Mr. STERLING. As fast as the Civil Service Commission furnishes us a register we work on them.

Senator McKELLAR. Have you asked the Civil Service?

Mr. STERLING. Almost a standing order, sir.

Senator McKELLAR. When did you last ask them?

Mr. TURNER. Mr. Chairman, we submitted a request from the Field Division for new employees within the past 10 days. The Civil Service Commission will only give us a limited number of names on their register at the present time, and that results in practically—

Senator McKELLAR. What I want to know is what is the limited number they are ready to give you now?

Mr. STERLING. As many as they have.

Senator McKELLAR. But how many have they got?

Mr. STERLING. Practically none. In other words they do not have enough at the present time to fill our needs, and for that reason—

Senator McKELLAR. That is not very definite. You say “practically none,” and you say they have not enough to fill your needs.

Would it not be a great deal better for you to make application to the Civil Service and see if you can get the 89 that you need, or better still would be to leave those places unfilled unless there is some absolute need for them.

How long have you had these 89 vacancies?

Mr. TURNER. These 89 vacancies are cumulative.

Senator McKELLAR. They are cumulative?

Mr. TURNER. That is right.

Senator McKELLAR. How long have you had them? How long have you been running without the 89?

Mr. TURNER. As of April 12 we had all positions filled.

Senator McKELLAR. April 12?

Mr. TURNER. Wasn't that right, George?

Mr. STERLING. When the quota was fixed.

Mr. TURNER. When the quota was fixed by the Bureau of the Budget we had all technical positions filled.

REASON FOR LOSS OF EMPLOYEES

Senator McKELLAR. Where did you lose those 89?

Mr. TURNER. In addition to these men being called by the draft of course men are accepting commissions, men are resigning, men are getting better pay jobs in industry.

Senator McKELLAR. You have lost 89 since April 12, have you?

Mr. TURNER. That is what it amounts to.

Senator McKELLAR. If that keeps up in a few months you will have none.

Senator TYDINGS. What I can not understand, Mr. Chairman, if we are going to supply 300 people I would like to know whether 227 and 165 approximately who are now deferred from the draft are going to be released from that deferment and these people take their places, whether they are still going to be deferred.

Will you get that and bring it back at the next session?

Senator McKELLAR. We will have to take a recess now because we have another meeting.

(Whereupon, at 12:30 p. m., the committee adjourned until Friday, July 2, 1943, at 10:30 a. m.)



SECOND DEFICIENCY APPROPRIATION BILL, 1943

FRIDAY, JULY 2, 1943

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to adjournment, Hon. Kenneth McKellar, chairman of the subcommittee, presiding.

Present: Senators McKellar (presiding), Hayden, Tydings, Thomas of Oklahoma, McCarran, O'Mahoney, Nye, Holman, and Brooks.

SENATOR MCKELLAR. The subcommittee will come to order.

Congressman Bland, chairman of the House Committee on Merchant Marine and Fisheries, is present. As I understand it, he wants to speak to us on the subject of the Fishery Coordination appropriation of \$290,000.

DEPARTMENT OF THE INTERIOR

OFFICE OF FISHERY COORDINATION

STATEMENT OF HON. SCHUYLER OTIS BLAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

HEARINGS HELD BY HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Gentlemen: For the last 2 years the Committee on Merchant Marine and Fisheries of the House of Representatives has held many hearings on fishery problems. I have before me copies of some of those hearings. I am not going to trouble you with too much detail about them. One set is entitled "Fishery Problems in National Defense," held on March 24, 1942. Then, there were hearings entitled "Fishery problems" on March 9, April 6, and April 7, 1943. Part of the hearings have not been printed. We had a very complete hearing in May on a bill that was introduced by Mr. Bates, a Congressman from Massachusetts, for the transfer of certain functions of the Fish and Wildlife Service to the Department of Agriculture, advocated a good deal and very strongly.

Senator McCARRAN. What became of that?

Mr. BLAND. We have not reported it. I do not think it will be reported favorably. The hearings have not yet been printed, because there was no occasion for haste and no desire for immediate action.

NEED FOR FUNDS REQUESTED

The impression made on me at the early hearings in 1942 and the hearings all down the line was the need for coordination of the various agencies of the Government. I am told that this money, \$290,000, is needed to effect this coordination. My views as to which governmental agency should work out coordination are very largely expressed in a letter I wrote on February 16, 1942, to the Secretary of the Interior.

Senator HOLMAN. May I request that at some place in your remarks you explain just what is meant by the word "coordination" as you are using it in connection with this presentation?

Mr. BLAND. I think that just what my purpose was will be more readily explained in this letter. I understand, since I have come here this morning, that there has developed some question about compulsion in this matter. I did not know about that. I am not so much in favor of that sort of action on the part of the Fishery Coordinator, but I do feel that there is need for the various agencies to be brought together. There is a question about manpower, and the fisheries scattered throughout the country were not in a position to go to the various agencies in Washington to get the answer to their problem.

LETTER FROM CONGRESSMAN BLAND TO THE SECRETARY OF THE INTERIOR

I had in contemplation something like a fisheries war board. In my letter of February 16, 1942, to the Secretary of the Interior, I said [reading]:

DEAR MR. SECRETARY: For the past several days the House Committee on the Merchant Marine and Fisheries has been conducting hearings with regard to the serious problems now confronting the fishing industry.

It has been brought out that the War and Navy Departments and the lend-lease organization need every possible pound of canned fish that can be produced; that the Army and Navy are seriously in need of additional vessels and it has been necessary, for example, to take approximately 110 purse seiners out of the California sardine fleet, which will seriously curtail production; that a similar situation is likely to develop in other fishing areas; that there is a serious immediate need for war-risk insurance to protect fishermen and fishing vessels; that priorities are needed to furnish necessary fishing supplies; and that because of the shortage of vessel cargo space it now appears that the production of canned salmon this coming season in Alaska will be seriously curtailed.

The same situation exists with respect to the production of fish oil which is also deemed essential to national defense.

The above problems come within the jurisdiction of 8 or 10 Government agencies and the industry finds it impossible to obtain prompt decisions and a great deal of confusion is the result. Meanwhile, the production of vital fish supplies is diminishing, and it is necessary that some means be provided for coordination of various interests coupled with active efforts of a central agency to eliminate red tape and secure action.

Most of the witnesses, including those from Government agencies, indicated that the Fish and Wildlife Service is the agency which is best fitted to procure the results desired. This committee believes that some kind of Fisheries War Board or office should be established immediately, under the direction of the Fish and Wildlife Service, and that sufficient authority and personnel should be made immediately available. We think that the President has sufficient authority now to establish such a board. The committee stands ready to sponsor such legislation as is necessary, if you find that legislation is required, but the procedure suggested will prevent delay.

Representatives of the Fish and Wildlife Service have been in attendance at these hearings and I am informed that Dr. Gabrielson is now making an appointment with you to discuss the whole problem. I have learned that efforts are being made by certain other Government agencies to obtain the transfer of trained fishery personnel from the Fish and Wildlife Service. There is no doubt but that every fisheries man could today secure more profitable employment with other Government agencies, but if this should be done it would seriously disrupt the only coordinated fishery organization that is at present in position to solve these many problems.

The committee stands ready to be of such assistance to you as it can in this problem. We urge that some immediate action be taken to set up some kind of Fisheries War Office and to prevent the transfer of fishery personnel from the Fish and Wildlife Service, and if we can help in any way please inform us.

Yours very sincerely,

Chairman, Committee on the Merchant Marine and Fisheries.

Chairman, Subcommittee on Fisheries of Above Committee.

That, then, was the necessity, which had grown out of a manpower shortage, a shortage of material because of priorities, a shortage in ships, and various other shortages of that kind. So, people were writing in to me as chairman of the committee. We held these hearings on fishery problems, during which we called together representatives of the agencies in order to have them sit around the table and try to work out these problems. It was for that reason that I urged that there be some organization of this kind to handle the fishery problems.

Of course, I realize that sometimes these agencies become a little too ambitious. I personally do not know how far they expect to go in the matter of compulsion. Very frankly, I have not looked into that. I am opposed to and shall oppose any action that would abrogate our State laws or seek to abrogate our State laws or that would attempt to do too much.

I may say that there was pending in the Senate a bill authorizing this appropriation. It passed the Senate and was yesterday reported by my committee. The report on it, authorizing the appropriation, will be made today.

Senator McKELLAR. We had that bill before us. That bill merely authorizes an appropriation.

Mr. BLAND. That is all.

Senator McKELLAR. The reason why it does not set forth the duties and responsibilities is apparent from the testimony that we had here yesterday, which was that the law had already been handed down, in a directive from the President, to the gentlemen who testified. In that directive from the President there was a provision allowing them, if they could not get voluntary agreement in the industry, to force compliance with this body's directions. Now, the witness did not have the directive before him, but he promised that he would bring it with him this morning.

Mr. BLAND. He has it today.

Senator McKELLAR. Let us see what it is.

Mr. BLAND. There are two directives. I will read to you the justification for the appropriation, which refers to the directives. Then, there was an Executive order creating the Fisheries Coordinator. Then, there was a directive from the Department of Agriculture,

that is, a directive from the Secretary of Agriculture. I shall read first Executive Order No. 9204 [reading:]

[Federal Register 7:5657, 5658, July 24, 1942]

COORDINATION OF FEDERAL ACTIVITIES AFFECTING THE FISHERY INDUSTRY

EXECUTIVE ORDER 9204

By virtue of the authority vested in me by Title I of the First War Powers Act, 1941, approved December 18, 1941 (55 Stat. 838), and as President of the United States, and for the purpose of developing and assuring sustained production of aquatic food supplies essential to the conduct of the present war, and for the further purpose of coordinating the policies, plans, and programs relating to the war effort that affect the fishery industries and the aquatic food supplies of the United States, its territories, and possessions, it is hereby ordered as follows:

1. The Secretary of the Interior is designated as Fishery Coordinator. The Secretary is authorized to designate an officer of the Department of the Interior as Deputy Fishery Coordinator and to delegate to such Deputy any of the functions, duties, and powers of the Coordinator. For the purposes of this order, the Secretary of the Interior shall designate such part or parts of the Fish and Wildlife Service of the Department of the Interior as he may determine, as the Office of Fishery Coordination.

2. Under the general direction of the Fishery Coordinator and the supervision of the Deputy Fishery Coordinator, the Office of Fishery Coordination shall perform the following-described functions and duties:

(a) Maintain close liaison with appropriate Federal, interstate, state, and local agencies, and with fishery and allied industries, and obtain currently from them information for the use of appropriate Federal agencies relative to the conservation, production, processing, packing, transportation, marketing, and consumption of fish and other fishery products, and to the construction, procurement, conversion, substitution, replacement and repair of fishery industry facilities. To facilitate this exchange of information the head of each such Federal agency shall designate a liaison officer who shall be responsible for keeping the Office of Fishery Coordination currently informed on all plans and operations of such agency which may affect the activities above, except plans or operations of a confidential or secret nature pertaining to the prosecution of the war.

(b) Make specific recommendations to appropriate Federal, interstate, state, and local agencies, and to fishery and allied industries, for the purpose of encouraging coordination of effort and maximum utilization of their services and facilities, all with a view toward insuring an adequate and sustained production and supply to meet the requirements for fish and other fishery products as determined by appropriate Federal war agencies. To this end the Office of the Fishery Coordination, with the approval of the Coordinator or Deputy Coordinator, may advise interstate, state, and local agencies regarding conservation practices of the fishery industry; advise appropriate Federal agencies with respect to the materials, equipment, and supplies required by the fishery industry; and advise the War Production Board, when and to the extent requested by the Board, with respect to supply, allocation, and procurement problems of the fishery industry.

3. Subject to the provisions of section 3 of the First War Powers Act, 1941, the Secretary of the Interior may (a) make available for the use of the Office of Fishery Coordination, for the purpose of carrying out the functions and duties prescribed in this order, such statistical, information, fiscal, personnel, and other general services and facilities as are now available within the Department of the Interior or as may be made available to it through other agencies of the Government, and (b), within the limits of available funds, employ for the use of the Office of Fishery Coordination other necessary personnel and make provisions for necessary supplies, facilities, services, and for actual and necessary transportation, subsistence, and other expenses incidental to the performance of the functions and duties referred to in this order.

4. This order shall become effective as of the date hereof and shall continue in force and effect so long as Title I of the First War Powers Act, 1941, remains in force.

THE WHITE HOUSE
July 21, 1942.

FRANKLIN D. ROOSEVELT

(F. R. Doc. 42-6998; Filed, July 23, 1942; 10:24 a. m.)

That is the Executive order. Now, there was a food directive issued by the Secretary of Agriculture. As I recall it, the Secretary of Agriculture at first was vested with various powers in food production; the Secretary then issued a directive, Food Directive No. 2, delegating to the Secretary of the Interior authority with respect to fishery commodities or products.

Senator McKELLAR. Judge Bland, let me call your attention to this language in Executive Order 9204:

and to the construction, procurement, conversion, substitution, replacement, and repair of fishery-industry facilities.

I am very much afraid that that language would allow almost anything to be done that he thought necessary in the fishery industry. I want to say to you that we would like to help the fishery industry. We want to increase the supply of fish and fish products, but it ought to be done on a voluntary basis. If we are asked to institute a commission or an activity, or whatever it may be called, to take charge of the fishery industry, that is something, I think, that we ought not do; we ought to require that this money be spent only in a way that will bring about voluntarily a greater production of fish.

Mr. BLAND. I notice in the estimates which are submitted that the greater part of the money is requested for personnel, transportation of things, communication service, rent, utility service, printing and binding, contractual services, supplies and materials, and equipment.

Senator McKELLAR. But if under a directive they can take over the fishery industry, it is very easy to go around Congress and get the Commodity Credit Corporation or the R. F. C. to furnish the money to do what they want; and they seem to have almost unlimited funds. I would be utterly unwilling to vote for that sort of organization. I can see the reason for a coordination service in the Federal Government to bring about a greater production of fish, but I certainly would not be willing for this concern to issue bonds, borrow money, or form a corporation if it wanted to do so, all of which it could do under this, and take over the fishery industry of the country, and set figures in the faces of all who are now engaged in the business.

Mr. BLAND. I should be very much opposed to that.

Senator McKELLAR. We must have a provision restricting the use of this fund. Two hundred and ninety thousand dollars is a very modest fund to set up, as it seems to me, an Office of Fishery Coordination; but I judge from what these gentlemen said here yesterday that that is not at all what they are intending to do; that under this directive of the President they are going to take charge of the fishery business. They are going to take over private boats, boats owned by private people. If they feel that fishery concerns in Maine are entitled to more boats than the fishery concerns of Oregon or California, they could take the boats from the Pacific and send them over to Maine.

Mr. BLAND. If they contemplate doing any such thing as that, I will serve notice on them right now that they are going to run into very serious difficulty.

Senator McKELLAR. If they get this \$290,000, with the directive giving them the powers they have, and if they are going to start a program like that, we would be committed to it, as we are to many others, before we know it. For that reason—and, of course, I am talking personally; we will have to do what the committee decides—I personally would be willing to give them \$290,000 for voluntary services in bringing about a better food supply without taking over the business of private individuals or private corporations, and changing or using ships as they may see fit. What they do must be a voluntary action and not an involuntary action.

Mr. BLAND. The involuntary action is something I have not had in contemplation.

Senator McKELLAR. The gentlemen who were here yesterday had it in contemplation, because they would not answer my question, which I asked a half-dozen times, What do you intend to do? They would not tell me.

Mr. BLAND. My thought has been, first, that there is no necessity for authorization even for an appropriation for the purposes for which it is desired—for the coordinator—because I thought that if there was authority to establish fishery coordination, that would carry with it. I will call attention to this: That in the act which was passed by the Senate, authorizing this fund, there is a limitation of it to the emergency, and we have reported that.

Senator McKELLAR. Why, if the Government had a right to take this over, havoc would be created in the fishing industry.

Mr. BLAND. I am not in favor of having the Government take it over.

Senator TYDINGS. I think we all agree that there is a field of proper protection here and that some money is needed. The only question in our minds is what words we could employ that would do what we all visualize in the proper light and at the same time restrict the use of this money so that it might not be applied outside the intent of Congress in appropriating the money.

Mr. BLAND. I do know that in some of the hearings we have held there was contemplated aid in establishing some new fishery associations. I think one had to do with the sardine problem out on the west coast; another had to do with shrimp. My thought about this would be that they would simply act as an agency to help interest the people in doing that sort of thing.

Senator TYDINGS. Work out a plan for mutual help.

Senator McKELLAR. I am sure you have some views about it. I am not opposed to voluntary action on the part of this board or activity, or whatever it may be called—action to get these people together voluntarily and to bring about a better distribution of ships and other transportation services. That would be all right in order to increase the supply of fish for food. But to take from the fishing industry of this country its property and place it in the hands of one of these newfangled corporations set up by the R. F. C. is something to which I am utterly opposed.

Mr. BLAND. So am I.

Senator McCARRAN. That is exactly what is going to happen. These men testified that they were going to use the various means at their disposal to force private industry into that.

Senator McKELLAR. They said they would ask them to do it voluntarily first, but if they did not agree they would take them over.

Senator McCARRAN. Yes.

Mr. BLAND. There is no industry in the United States that is more individualistic and opposed to that sort of thing than the fishery industry. My thought was in the hearings held before our committee that there are so many problems that they bring to us that we do not know where to go. We do not know whom to take them up with. We receive correspondence directly from the fishery people because they do not know where else to go. I would call in the price management people and representatives of the different agencies and have them sit around the table and discuss this. Throughout the hearings that have been held before our committee there has been manifested the necessity for somebody to whom these people could go.

I do think that the plan of establishing regional areas throughout the United States and giving the public notice of them furnishes an opportunity to the people to go and get their problems solved. I have said to Dr. Gabrielson that I think one thing the fishery industry needs more than anything else is a trouble-shooter, somebody to whom the industry's troubles could be directed, and the trouble-shooter could try to solve the problems, because the industry does not know how to solve them.

A man in Chincoteague or Ocean City who comes up here is going to come either to Senator Tydings or to me; he does not know to what agency to go to work out the matter of his food supply. They have even gone so far as to come and tell me that they needed more coffee on the boats. There was needed a greater supply of hot coffee on the stove when these men were working 18 hours out of 24. They were dependent on the run of fish.

I think this fisheries coordinator, within the limits of the purposes as I contemplate it, would be a material benefit. So far as taking over the fishery industry is concerned, I should like to have them say a little more.

Senator McKELLAR. I think that if anything of that sort is done, legislation should be had in both Houses. What attracted my attention to it, to begin with, was that the bill in the Senate merely authorized an appropriation to do it, without stating what they expected to do. I asked these men for the President's order; they did not have it. I asked for the Secretary's order; they did not have it. They did not have any of the papers.

Mr. BLAND. I am going to leave with you Food Directive No. 2.

Senator McKELLAR. I wish you would, please.

Mr. BLAND. This is Food Directive No. 2, signed by Claude R. Wickard, Secretary of Agriculture.

Senator HAYDEN. The bill has passed your committee and now goes to the House?

Mr. BLAND. The bill that has passed the Senate has been reported favorably by our committee.

Senator HAYDEN. In view of the question raised by Senator McKellar, would it not be wise to recommit the bill and look into these phases of it, so that the legislation would conform?

Mr. BLAND. I feel that there is so much necessity for a fund that the Secretary can go ahead with that I would hesitate to recommit that particular bill, which is purely an authorization bill.

Senator McKELLAR. Yes, sir; but the President has already passed the law, and under that law they can do anything.

Senator HAYDEN. Could we accommodate you, Judge, by making an appropriation with a limitation on it that no part of it could be used for these purposes to which objection is raised?

Senator TYDINGS. That would be the best thing.

Mr. BLAND. I should think that that would be the best thing.

Senator HAYDEN. Would you prepare a limitation that this committee could place upon the appropriation?

Mr. BLAND. I would much rather have these other gentlemen say what they propose to do.

Senator McKELLAR. They will not say. They were to be here again this morning.

Mr. BLAND. They are here this morning.

Senator McKELLAR. Let me read this Food Directive No. 2 [reading]:

TITLE 7—AGRICULTURE

CHAPTER XI—FOOD DISTRIBUTION ADMINISTRATION

(Food Directive No. 2)

PART 1400—DELEGATIONS OF AUTHORITY

DELEGATION OF AUTHORITY TO THE SECRETARY OF THE INTERIOR WITH RESPECT TO FISHERY COMMODITIES OR PRODUCTS

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, and in order to utilize existing governmental services and facilities to the fullest practicable extent in carrying out the provisions of such Order, IT IS HEREBY ORDERED as follows:

1400.11 *Food Directive 2: Fishery Commodities or Products.*—(a) The Secretary of the Interior is authorized and directed, subject to the provisions of this Directive, to execute, and to exercise the powers conferred by, the provisions of paragraph (b) of Section 1, and Section 2 of Executive Order No. 9280, insofar as such provisions relate to the production of fishery commodities or products.

(b) With respect to the recommendations to the War Production Board regarding critical or controlled materials incident to the delegation of authority contained in Section 2 of Executive Order No. 9280, the Secretary of the Interior will determine requirements of critical materials for the production of fishery products. Applications and recommendations for priorities or allocations of material on forms prescribed by the War Production Board will be processed by the Facilities Branch of the Food Distribution Administration but will be referred to the Department of the Interior by that Branch for consideration and recommendation. The flow of applications will be through the Controlled Materials Officer of the Department of Agriculture to the War Production Board.

(c) The Secretary of the Interior is authorized and directed to prepare and submit to the Secretary of Agriculture specific recommendations upon any matter within the scope of paragraphs (a), (c), (d), and (e) of Section 1, Section 3, Section 4, Section 5, Section 6, and paragraphs (b), (c), (d), (e), and (f) of Section 8 of Executive Order No. 9280, insofar as such matters relate to fishery commodities or products.

(d) The Secretary of the Interior, in executing the provisions of and exercising the powers conferred in this Directive, is authorized to utilize that part of the personnel, property, and records, and unexpended balances of appropriations,

allocations, and other funds of the Department of Agriculture, which, as determined by the Director of Finance of the Department of Agriculture, have been primarily concerned with the exercise of the powers delegated to the Secretary of the Interior in this Directive.

(e) The authority delegated to the Secretary of the Interior by this Directive may be exercised by him through such agencies and officers of the Department of the Interior or of the office established by Executive Order No. 9204, dated July 21, 1942, as he may designate.

(f) The term "fishery commodities or products" as used in this Directive means any edible or non-edible fish, any form of aquatic animal or plant life, or any other commodity or product, including fats and oils, of marine or fresh water origin, which is within the meaning of the term "food" as defined in Section 10 of Executive Order No. 9280.

(g) The term "production" as used in paragraph (a) hereof shall include the catching or harvesting of any form of aquatic animal or plant life and the processing thereof. It does not include, however, the following functions which shall be performed by the Food Distribution Administration of the Department of Agriculture: procurement; inspection; standards; labeling; allocation; reservation; limitation; specifications of product or container, and container supply.

(E. O. 9280, 7 F. R. 10179)

Issued this 8th day of February, 1943.

(Sgt) CLAUDE R. WICKARD,
Secretary of Agriculture.

(Federal Register, Vol. 8, No. 28, pp. 1777-1778; Feb. 10, 1943)

Mr. BLAND. Then, there was an amendment that I have just noticed in my file here.

Senator McKELLAR. I had better read that. [Reading:]

[Federal Register 8:3280; March 18, 1943]

TITLE 7—AGRICULTURE

CHAPTER XI—FOOD DISTRIBUTION ADMINISTRATION

(Food Directive 2, Amendment 1)

PART 1400—DELEGATIONS OF AUTHORITY

DELEGATION OF AUTHORITY TO THE SECRETARY OF THE INTERIOR WITH RESPECT TO FISHERY COMMODITIES

Pursuant to the authority vested in me by Executive Order No. 9280, dated December 5, 1942, Food Directive 2, 1400.11 (S F. R. 1777), is amended by deleting therefrom the provisions in paragraph (g), and inserting in lieu thereof the following:

(g) The term "production" as used in paragraph (a) hereof shall include the catching and harvesting of any form of aquatic animal or plant life and the processing thereof. The Secretary of the Interior is specifically authorized and directed to exercise the powers of allocation, concentration, or conversion, conferred upon me by Executive Order No. 9280, and particularly the powers enumerated in paragraph (b) of Section 8 thereof, with respect to such available facilities as may be necessary for use in connection with the catching and harvesting of aquatic animal or plant life and the processing thereof. In the exercise of the foregoing powers of allocation, concentration, or conversion, the Secretary of the Interior shall be guided by any recommendations which may be made by the Food Distribution Administration of the Department of Agriculture with respect to the amounts and kinds of fishery commodities or products required for war and essential civilian needs. With respect to the distribution of processed fishery commodities or products, the Food Distribution Administration shall perform all functions in connection with procurement, inspection, standards, labeling, allocation, conservation, limitation, specifications of product or container, and container supply. Any exercise of the powers delegated herein, to the Secretary of the Interior, by him, prior to the effective date of this amendment is hereby ratified and confirmed and any order heretofore issued by the

Secretary of the Interior shall have the same force and effect as if issued after the effective date of this amendment.

(E. O. 9280, 7 F. R. 10179)

Issued this 16th day of March 1943.

GROVER B. HILL,
Acting Secretary of Agriculture.

[SEAL]

(F. R. Doc. 43-4148: Filed, March 17, 1943; 11:49 A. M.)

Senator HAYDEN. Apparently what is disturbing the committee is that there are two phases to this problem. One is that we know there is a tremendous shortage that has developed in fishery products. My recollection of the testimony before the subcommittee on the Interior Department bill is that there is about a billion and half pounds less this year.

Mr. JACKSON. About 26 percent.

TOTAL FISH FOOD PRODUCTION

Senator HAYDEN. What was the total production of fish foods of all kinds, say, a year ago now?

Mr. JACKSON. In 1941 it was 4,900,000,000 pounds; in 1942 it dropped to 3,700,000,000 pounds.

Senator HAYDEN. Then, that means that we have lost about 1,500,000,000 pounds of food. My recollection of the testimony is that the reason given for that loss was that small boats and other things used by fisheries had been taken by the Navy and used for war purposes. Also, they assigned as a reason the scarcity of help to do the work.

Mr. JACKSON. Vessel, material, and manpower shortages caused the reduction.

Senator HAYDEN. Now, when we are having a food crisis, we are losing 1,500,000,000 pounds of food.

Senator McKELLAR. And the Government is proposing to take the industry over with the same lack of facilities for handling it or producing it or transporting it, substantially, as there was last year, or with even less facilities than were available last year.

INTENTION OF BUREAU

I want to ask Mr. Jackson, first, is it the intention to take over the fishing industry?

Mr. JACKSON. No, Senator; definitely not.

Senator McKELLAR. Why all this legislation by the President, by the Secretary of the Interior, and the Secretary of Agriculture directing or giving you powers to do it?

Mr. JACKSON. It has given us the allocation powers that W. P. B. had, that were later transferred to the Secretary of Agriculture. Under directive No. 2 the Secretary of Agriculture merely transferred to the Secretary of the Interior the same powers insofar as they pertain to the production and processing of fisheries. The salmon concentration order discussed before the committee yesterday was worked out on a voluntary basis. We had representatives of every unit of the salmon industry, including canning plants, labor, boat owners, and fishermen to sit around the table with representatives of the Government and work out the plan that formed the basis of the order.

QUESTION REGARDING ACQUIRING AND ALLOCATING SHIPPING

Senator McKELLAR. Mr. Jackson, yesterday, when we asked Mr. Gardner if it was proposed to use involuntary means of acquiring or allocating shipping, or acquiring properties, he refused to answer and has not yet answered.

Mr. JACKSON. If we ever get to that point, we shall probably use the powers that the law gives us; we would have to. But we have never even considered taking over or operating any fishery plants or properties.

Senator McKELLAR. That is what I thought. I, too, think you would. I am much obliged to you for being frank. I want to commend you for being frank and wholly different from the two witnesses who appeared yesterday. Why would you not be perfectly satisfied to take this amendment that has been sent down here with a proviso that you shall not have power to direct people to turn over to you their properties without their consent?

Mr. JACKSON. Senator, I think we would not be able to carry on the job at all, unless we have power to enforce allocation orders.

Senator McKELLAR. If that is the case, I am against this.

Mr. JACKSON. If the power of enforcement is taken from us I think you would have more protest from the fishing industry than from anyone else. Witness after witness emphasized in our hearings on the California sardine fishing program for the season opening next August 1 that unless we have the power to enforce regulations, production cannot be maintained. The industry is insistent that we exercise powers to enforce the regulations.

Senator McKELLAR. That may be so, but the industry has not yet protested, and I certainly would be against you taking it over on an involuntary basis.

Mr. BLAND. Personally, I do not think that the industry understands any such thing about that power being given to the Coordinator. I do not believe they contemplated the Coordinator coming along and exercising involuntary powers and abrogating State laws, and everything else.

Mr. JACKSON. We do not intend to.

Senator McKELLAR. You were frank awhile ago and said that unless you had to, you did not intend to.

Mr. JACKSON. No; it is on a purely voluntary basis, and the Secretary before approving any order has insisted that all orders contain a provision for the right of appeal.

Senator McKELLAR. If I am in the fishery business out on the Columbia River and have 12 ships handling my pack, and if you come along and say you want 6 of those ships to be sent to Maine, but I do not agree, you can just take them over, and I will have a lawsuit on my hands?

Mr. JACKSON. No, Senator; it would never go that far.

Senator McCARRAN. He would just be cut off on some priority.

AUTHORITY GRANTED UNDER WAR POWERS ACT I

Senator HAYDEN. Mr. Jackson said they would exercise the power granted by law. I want to know where the law is that grants that power. We have here, apparently, on the face of it, an Executive

order of the President that grants certain powers. Is that based upon war powers granted to the President, or is it based upon some act of Congress?

Mr. JACKSON. It is based upon War Powers Act No. 1.

Senator HAYDEN. Did War Powers Act No. 1 give any more power with respect to the fishing industry than it did, say, to controlling any other industry in the United States?

Mr. JACKSON. No; it is the same authority granted to regulate all food industries.

QUESTION AS TO INTENTION OF CONGRESS RELATIVE TO THE SEIZING OF
PROPERTY

Senator HAYDEN. That is what I am trying to get at. I do not believe that when Congress passed that kind of act it had in mind seizing private property and converting it to some other use. I just want to find out that fact.

Under those circumstances, the thing Judge Bland has presented to this committee is that what the fishery industry needs more than anything else is a trouble shooter, someone to get them together and coordinate their production. Since we understand the broad implications that will follow from this kind of thing, could not you and Judge Bland get together, so that we can authorize an appropriation that does not contain coercion in it?

Mr. JACKSON. I think we could. There was certainly no intention on our part to coerce. We have never had to exercise any of these powers yet; we hope we shall never have to.

Senator McKELLAR. I do not know what the other members of the Senate are going to do about it, but so far as this committee is concerned it is not going to let you hope; it is going to prohibit you, if you are going to get \$290,000. Certainly that would be my vote.

SITUATION REGARDING SALMON INDUSTRY

Mr. JACKSON. Let me explain that the salmon order is now in effect, and there has been little complaint. In fact the principal complaint came from a community that wanted to operate two plants instead of one. We denied that request on the ground that there was insufficient manpower to operate more than one plant. They said they had ample labor to do it. Before the season opened, they came back and said, "You were right. Can you help us get labor for the single plant that is going to operate?" When one of the largest units of the fishing industry, like the salmon industry, with a hundred and twenty plants can jointly work out an arrangement with the Government that the industry fishermen and boat owners subscribed to, it seems to indicate that the industry has confidence in the Office of the Coordinator of Fisheries.

Before undertaking to work out sardine-industry problems we conducted public hearings. We set up an industrial committee composed of equal representation from every phase of the industry, including labor. We preferred the industry to select a chairman; we wanted the industry to run its own business; but they said they could not agree among themselves, and they asked our representative to serve as chairman.

When we came out with the plan after public hearings at every fishing port in California, witness after witness came up to tell us that it would not be worth a tinker's damn unless we could enforce it. I think you would find that the sardine industry would insist that the Coordinator have authority to enforce the orders.

Mr. BLAND. I do not know if they know of all this. I think that I would be opposed to the situation that you people probably contemplate in connection with the fishing industry all along the Atlantic coast.

REASON FOR TRANSFERRING AUTHORITY FROM WAR PRODUCTION BOARD

Mr. JACKSON. The whole scheme, which was started originally with the W. P. B. and finally came to us, because of our experience with fisheries is simply to utilize the most efficient plants and equipment with the manpower available in order to get the maximum production. Without some control, one sardine plant would have sardines lying at the dock rotting, while his neighbor would stand idle. Under this plan, which the whole industry begs us to adopt, the sardines would simply be distributed so as to permit the maximum production for war purposes.

Senator HAYDEN. I do not think the committee is going to allow any appropriation unless there is some limitation that indicates that it is not going to be used in the exercise of arbitrary power. I suggest that you and Judge Bland get together and see what kind of limitation you can give us.

Mr. JACKSON. The solicitor is here; I would like for the committee to hear him on this subject.

Senator HAYDEN. We have many other witnesses to be heard this morning. I think it would save time for all of us if you would get together with Judge Bland and your solicitor and bring us an outline of what you propose.

Senator MCKELLAR. As I read the President's order, the sky is the limit. But if this goes through, we are going to put a limitation on that sky somewhere.

Senator HAYDEN. Will you gentlemen do that?

Mr. JACKSON. Yes.

Senator HAYDEN. I think that will save time.

Mr. JACKSON. Thank you. I submit a copy of the pilchard order requested yesterday.

(The order is as follows:)

TITLE 50—WILDLIFE

CHAPTER IV—OFFICE OF THE COORDINATOR OF FISHERIES

[Order No.—1838]

PART 401—PRODUCTION OF FISHERY COMMODITIES OR PRODUCTS

SECTION 401.2—COORDINATED PILCHARD PRODUCTION PLAN

By virtue of the authority conferred upon me by Food Directive No. 2 of February 8, 1943 (8 F. R. 1777), as amended on March 16, 1943 (8 F. R. 3280), issued pursuant to Executive Order No. 9280 of December 8, 1942 (7 F. R. 10179), and in order to facilitate the production of an adequate supply of pilchards to meet war and essential civilian needs with a minimum utilization of critical material, manpower, and fishing vessels, it is hereby ordered as follows:

(a) *Jurisdiction.* Complete control and authority over the catching and de-

livery of pilchards on the West Coast of the United States solely for the purposes herein specified shall be vested in the Fishery Coordinator, and subject to his supervision and direction shall be administered by the Office of Fishery Coordination.

(b) *Statement of policy.* Shrinkage of the fishing fleet through military requisition, restriction on the movements of fishing vessels imposed by security requirements, limitations of manpower, and other war connected stringencies, coupled with increased National requirements for proteins and fats, have created a condition calling for Government supervision to insure the maximum effectiveness of existing fishing and processing facilities for the production of pilchard products. It is the purpose and intent of the Fishery Coordinator in administering and enforcing the provisions of this order to restore as nearly as possible a normal flow of raw material and as continuous an operation at processing plants as possible and to insure the production of the quantities of each category of finished products required for the maintenance of the Nation's war economy with the least possible interference with the freedom of activity of persons in the pilchard fishery and the pilchard processing industry. In the interest of effective mobilization of material resources necessary to the successful prosecution of the war, it is expected that persons affected by this order will cooperate with the United States Government in the attainment of the objectives which prompt the issuance of this order.

(c) *Definitions.* For the purpose of this order:

(1) "Person" means any individual, partnership, association, corporation, or any other business entity.

(2) "Pilchard" means raw, unprocessed pilchard (*Sardinia caerulea*), by whatever name known, including sardines.

(3) "Delivery" means the transfer of pilchards to a processing plant, for canning or reduction, to a transporting facility, or to a place of storage, whether or not the same person owns or controls the vessel from which it is transferred, the plant, or the fish.

(4) "Port" means a single harbor or group of contiguous or nearly contiguous harbors at which pilchards are landed. For the purpose of this order San Pedro shall mean the ports of San Pedro, Wilmington and Long Beach. Monterey shall mean the ports of Monterey and Moss Landing. San Francisco shall mean the harbors on San Francisco Bay, and the tributaries thereof. Ports may be added or regrouped in the discretion of the Fishery Coordinator, or his representative.

(5) "Registration port" means the port where the permanent document of the vessel issues.

(6) "Home port" means the port at which the Captain and the operating owner or holder of the charter of the vessel have had residence for a substantial portion of the period since June 1, 1940, and from which they have practiced pilchard fishing operations during at least half of the time in all seasons of active fishing since June 1, 1940; or, in case these criteria are conflicting, the port designated by the Fishery Coordinator, or his representative, as the home port of the vessel.

(7) "Fishing port" means a port from which the vessel operates for the purpose of pilchard fishing.

(8) "Fishery Coordinator" means the Secretary of the Interior.

(9) "Representative" means any person or persons duly designated by the Fishery Coordinator to perform any of the functions authorized by this order.

(d) *Catching or delivering pilchards without a permit prohibited.* No person owning or controlling a vessel of 20 net tons or over shall fish for and deliver pilchards to any cannery, reduction plant, or other establishment at any port on the Pacific Coast of the United States, except as otherwise provided in paragraph (m) below, unless expressly authorized by a permit issued by the Fishery Coordinator, or his representative.

(e) *Clearance of pilchard vessels from ports without a permit prohibited.* (1) No vessel of 20 net tons or over which at any time subsequent to May 31, 1940, was used in fishing for pilchards or which first engages in fishing for pilchards in 1943 shall be cleared from any port on the Pacific Coast of the United States for the purpose of catching pilchards or any other fish or return to any port for delivering such fish except in accordance with the terms of a permit issued by the Fishery Coordinator, or his representative, to the person owning or controlling the vessel; but this provision shall not apply in any case where there

has been an emergency modification of the permit as provided in paragraph (m) below.

(2) Clearance from a port will not be permitted unless the Captain of the vessel shall have in his possession a permit issued by the Fishery Coordinator, or his representative.

(f) *Terms and conditions of permits.*—(1) Any permit to fish for and deliver pilchards which is issued by the Fishery Coordinator, or his representative, may provide specifically the period for which it is issued; the port or ports from which clearance is authorized; and such other reasonable terms and conditions as may be deemed necessary to accomplish the purpose of this order.

(2) Permits may be amended at any time or new permits issued when deemed necessary by the Fishery Coordinator, or his representative, to provide an adequate number of fishing vessels at any given port and to assure an even flow of pilchards to canning or reduction plants in order to facilitate the maximum production of sardine products commensurate with available manpower and plant facilities.

(3) The terms of a permit may be modified by the Fishery Coordinator, or his representative, on request of the holder of such permit when conditions are shown to exist which warrant such modification.

(g) *Applications for permits.*—Applications for permits to fish for and deliver pilchards shall be filed with the Fishery Coordinator, or his representative, not later than 10 days after the effective date of this order for the fishing season of 1943-1944 and not later than June 1 of each year thereafter, except for vessels built or acquired for pilchard fishing during the course of the season, in which case applications shall be filed not less than 10 days prior to the time fishing for pilchards is contemplated. Applications shall contain the following information:

(1) The name of the vessel, the registration port and number, the State license number, if any, the names of the owner and operating owner or holder of the charter, and the Captain.

(2) The permanent residence or place of business of the owner, of the operating owner or holder of the charter, and of the Captain during the period since June 1, 1940.

(3) The fishing ports of the operating owner or holder of the charter, and of the Captain during the period since June 1, 1940.

(4) The home port.

(5) The fishing port or ports from which a permit to fish is desired and the period of time during which fishing operations are to be conducted at each of the fishing ports.

(6) Any other information deemed necessary by the Fishery Coordinator, or his representative, to accomplish the purpose of this order, including the submission of copies of contracts bearing on the determination of the home port or of the fishing ports or affecting the delivery of pilchards.

(h) *Action on applications.*—(1) The Fishery Coordinator, or his representative, shall consider each application on the basis of (a) military and essential civilian requirements for canned sardines, sardine meal and oil; (b) the necessity of maintaining an even flow of pilchards to available canneries or reduction plants; and (c) the condition of fishing in the waters adjacent to each port.

(2) In granting permits based upon applications filed therefor, preference shall be given to applicants desiring to fish for and deliver pilchards at home ports. So far as possible, assignment of vessels to fishing ports other than the home port, when deemed necessary to secure the maximum production of pilchards, will be given to persons applying for permits to fish for and deliver pilchards away from the home port.

(3) Permits may be granted on applications filed after the dates specified in paragraph (g) hereof but the rules stated in subparagraph 2 above as to the preferential assignment of fishing ports shall not apply to such late applications.

(i) *Deliveries to particular persons.*—The Fishery Coordinator, or his representative, may direct the delivery of pilchards to particular persons whenever deemed necessary to promote an even flow of material to canning or reduction plants or to assure the maximum production of sardine products commensurate with available manpower and plant facilities. The delivery of fish or the receiving of fish in violation of direction shall be a violation of this order.

(j) *Designation of particular uses.*—The Fishery Coordinator, or his representative, may direct or prohibit the use of pilchards for canning or for reduc-

tion into meal and oil or may direct the use of any specified percentage for each particular purpose when deemed necessary in order to meet the requirement for military and essential civilian supply.

(k) *Agreements to limit production prohibited.* No contract or agreement, written or verbal, shall be entered into or carried out and no action shall be taken which directly or indirectly operates to limit the amount of pilchards which may be caught or delivered by any fishing vessel or the frequency with which any pilchard fishing vessel shall leave port for or return from the fishing grounds except as may be ordered by the Fishery Coordinator, or his representative.

(l) *Records and reports.*—(1) All persons engaged in processing pilchards and who are affected by this order shall keep and preserve, for not less than two years, accurate records concerning purchases and production of pilchards and pilchard products, and such other material information as may be required by the Fishery Coordinator, or his representative.

(2) All records required to be kept by this order or by any order of the Fishery Coordinator, or his representative, shall be made available for inspection and audit by the Fishery Coordinator, or his representative, upon request.

(3) The Fishery Coordinator, or his representative, may require from persons affected by this order periodic reports with respect to amounts of pilchards received, production capacity, quantities of each product produced, and such other material information as may be deemed necessary by the Fishery Coordinator, or his representative, for effectuation of the purposes of this order. These record keeping requirements have been approved by the Bureau of the Budget and specific recording and reporting requirements subsequently prescribed will be subject to the approval of the Bureau of the Budget, all pursuant to the Federal Reports Act of 1942.

(m) *Emergencies.* (1) In unusual circumstances, when deemed necessary to meet the exigencies of the occasion, the Fishery Coordinator, or his representative, may, verbally or by radio telephone, modify the terms of a permit, subject to confirmation in writing within a reasonable period of time thereafter.

(2) Modification of the terms of a permit may include assigning fishing vessels to ports other than those specifically authorized in the permit.

(n) *Orders and directions; Deputy Fishery Coordinator.* The Fishery Coordinator, or his representative, may issue such orders and directions as he may deem necessary to accomplish the purposes of this order, and violation of any such order or direction shall be considered a violation of this order. For the purposes of this order the functions, duties, and powers of the Fishery Coordinator may, in his absence, be exercised by the Deputy Fishery Coordinator.

(o) *Violation; revocation.* Any person who violates this order or any order, direction, or prohibition of the Fishery Coordinator, or his representative, or any term or condition of any permit issued by him, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this order, may, by a decision of the Area Coordinator based upon findings of fact made after reasonable notice and hearing, be prohibited from fishing by suspension or revocation of any permit issued or prohibited from receiving fish, for a specified period of time. If the Area Coordinator shall have reasonable grounds to believe that such violation has occurred and if the circumstances are such that he shall deem such action reasonably necessary to effectuate the purposes of this order, he may immediately suspend the permit or privilege of receiving fish pending such hearings. Such further action may be taken against the violator as the Fishery Coordinator deems appropriate, including recommendations for prosecutions under Section 35(A) of the Criminal Code (18 U. S. C. sec. 80), under paragraph 5 of Section 301 of Title III of the Second War Powers Act, and under any and all other applicable laws.

(p) *Appeals and petitions for relief.* Any person who finds that compliance with this order or any order, direction, or permit issued pursuant thereto would tend to impose an unreasonable burden upon him or would not facilitate the production of pilchards, or who is aggrieved by any decision of the Area Coordinator may, after the hearing or other presentation of the matter before the Area Coordinator, appeal to, or petition the Fishery Coordinator for appropriate relief. Such petition must include a full showing of pertinent facts. The Fishery Coordinator shall thereupon make findings of fact and take such action on the petition as the circumstances may warrant.

(q) *Surrender of permits; applications; communications.* Permits which have been superseded by amended permits, or which have been revoked, shall be surrendered at once to the Area Coordinator; and all applications, petitions,

and communications referred to herein shall, unless otherwise directed, be addressed to and filed with the Area Coordinator, Area II, Office of the Coordinator of Fisheries, 901 Alexander Building, 115 Montgomery Street, San Francisco 4, California.

(r) *Designated representative.* The Area Coordinator in Area II is hereby designated as the representative of the Fishery Coordinator to perform any of the functions authorized in this order. In the performance of these functions, he may designate any members of his staff to carry out any specific functions that may be assigned.

(s) *Previous order superseded.* The provisions of this order shall supersede Conservation Order M. 206, as amended September 20, 1942 (7 F. R. 8274) issued by the War Production Board.

(t) *Separability; effective date.* The various clauses and provisions herein are intended to be separable and the invalidity of any one shall not affect any other provision. This order shall become effective immediately, except that paragraphs (d) and (e) shall not apply prior to August 1, 1943.

Issued this 30th day of June, 1943.

HAROLD L. ICKES,
Secretary of the Interior.

DEPARTMENT OF COMMERCE

CIVIL AERONAUTICS ADMINISTRATION

STATEMENT OF HON. PAT McCARRAN, A UNITED STATES SENATOR FROM THE STATE OF NEVADA

COMPLETION OF CERTAIN AIRPORTS

Senator McCARRAN. Mr. Chairman, there is no item in the bill to which this statement would be addressed particularly. However, at the behest of several States I have requested the Administrator of Civil Aeronautics to come before the committee. It is also at the request of Representatives and Senators of the following States: California, Colorado, Connecticut, Georgia, Idaho, Indiana, Iowa, Kansas, Maine, Michigan, Minnesota, Nebraska, New Mexico, North Carolina, North Dakota, Texas, West Virginia, Wisconsin, and Nevada.

The clerk has the item in language that I am going to offer to the committee, with the hope that the committee may look with approval upon the appropriation.

Senator McKELLAR. Have you a Budget estimate for it?

Senator McCARRAN. There is no Budget estimate. The story will be told by Mr. Stanton. The picture, in brief, as I understand what we are trying to do, is that in those States which I have just mentioned there are landing fields or landing areas that were almost completed, or partially completed, or were in the course of progress on the 1st of July. There is now no money available for their completion. An item of \$8,800,000 would be required to complete these airports. If they are not completed, all the work that has been done on them in these respective States would be practically lost, in that there would be no care taken of them because they are not completed. They have been deemed essential to national development and to every other need in times past.

I am going to ask Mr. Stanton, who is Administrator of Civil Aeronautics, to tell us the story with reference to the landing areas in the States that I have mentioned. If I do not mention all of them, he will mention any others that may be involved. I believe the list

includes the following projects, at the estimated costs indicated: Merced, Calif., \$250,000; Pueblo, Colo., \$70,000; Danbury, Conn., \$160,000; Atlanta, Ga., \$20,000; Idaho Falls, Idaho, \$500,000; Bloomington, Ind., \$100,000; Des Moines, Iowa, \$140,000; Iowa City, Iowa, \$130,000; Pittsburg, Kans., \$600,000; Dexter, Maine, \$80,000; Eastport, Maine, \$50,000; Menominee, Mich., \$250,000; Eveleth, Minn., \$504,000; Hibbing, Minn., \$240,000; International Falls, Minn., \$32,000; Beatrice, Nebr., \$450,000; Fremont, Nebr., \$225,000; Battle Mountain, Nev., \$832,000; Raton, N. Mex., \$75,000; Burlington, N. C., \$475,000; Rockingham, N. C., \$75,000; Wilson, N. C., \$400,000; Valley City, N. Dak., \$250,000; Henderson, Tex., \$200,000; Clarksburg, W. Va., \$150,000; Wheeling, W. Va., \$631,000; Eau Claire, Wis., \$750,000; Oskosh, Wis., \$600,000; and Siren, Wis. (Burnett County), \$300,000.

STATEMENT OF CHARLES I. STANTON, ADMINISTRATOR OF CIVIL AERONAUTICS, DEPARTMENT OF COMMERCE

UNFINISHED WORK PROJECTS ADMINISTRATION PROJECTS TAKEN OVER BY CIVIL AERONAUTICS ADMINISTRATION AT ARMY-NAVY REQUEST

Senator McKELLAR. You may proceed, Mr. Stanton.

Mr. STANTON. At the time that the W. P. A. commenced to close out its projects and activities there were 267 airports upon which it was working. The Civil Aeronautics Administration, with W. P. A. cooperation, made a review of the status of those projects. One hundred and three were so near completion that W. P. A. was able actually to complete them within the time limit they had for closing out their activities. Sixty-five of them were requested by the Army or the Navy, to be taken up in the "E" program of the C. A. A. Development of Landing Areas appropriation. The Army and Navy themselves undertook to take over and complete, so that they could have the benefit of their use, 71 of them. That left 28 which were neither complete nor considered by the military services as necessary for the war effort, although of those 28, 17 had been at one time certified to W. P. A. by the armed forces as being of military necessity.

Senator McKELLAR. Is there a law providing for these?

Mr. STANTON. No, sir.

COST OF COMPLETION

Senator McKELLAR. There is no law. How much would it cost to complete the 28 of them?

Mr. STANTON. \$8,000,000.

PROJECTS THAT ARE NEARLY COMPLETED

Senator McKELLAR. Are there any of them that are nearly completed?

Mr. STANTON. Yes, sir.

Senator McKELLAR. Which ones are near completion?

Mr. STANTON. Those for which the smallest requirements are necessary for completion are Pueblo, Colo.—

Senator McKELLAR. How many? One?

Mr. STANTON. One at Pueblo; yes, sir. Atlanta, Ga.; Bloomington, Ind.; Dexter, Maine; Raton, N. Mex.; Rockingham, N. C. I would say those are the ones.

COST OF COMPLETING PROJECTS

Senator McKELLAR. How much would it cost to finish those six?

Mr. STANTON. I would have to add those figures. \$70,000 at Pueblo; \$20,000 at Atlanta; \$100,000 at Bloomington; \$80,000 at Dexter Maine; \$75,000 at Raton, N. Mex.; and \$75,000 at Rockingham, N. C. That would be a total of only \$420,000.

AMOUNT EXPENDED ON SIX PROJECTS

Senator McKELLAR. How much has been expended at Bloomington?

Mr. STANTON. I cannot tell you that exactly. We have the figures which the W. P. A. and the sponsor spent up to June 30, 1942; we have not yet been able to get the figures on the amounts they have spent during the past fiscal year.

Senator McKELLAR. How much had been expended up to 1942?

Mr. STANTON. At Bloomington, for example, there had been a total of only \$1,777 expended up to June 30 a year ago.

Senator McKELLAR. How much at Pueblo?

Mr. STANTON. Up to a year ago, \$375,473.

Senator McKELLAR. How much at Atlanta, Ga.?

Mr. STANTON. Up to a year ago, \$923,845.

Senator McKELLAR. How much at Dexter, Maine?

Mr. STANTON. \$153,103.

Senator McKELLAR. How much at the New Mexico field?

Mr. STANTON. At Raton, N. Mex., \$29,583.

Senator McKELLAR. How much at Rockingham?

Mr. STANTON. \$36,818.

Senator McKELLAR. Has much been expended on the others?

Mr. STANTON. Yes, sir. Altogether, up to June 30 of last year, there had been spent by the Federal Government through W. P. A., a total of \$6,558,648, and by the sponsors \$1,857,386, or a total Government-sponsor expenditure of \$8,416,034 for the whole 28 airports in this list.

Now, we estimate roughly that during this past fiscal year, closing June 30, 1943, the W. P. A. spent in the vicinity of \$2,000,000, and the sponsors about \$150,000. That would bring the total that we believe has been expended on these 28 up to about \$10,500,000, so far, by the Government and the sponsors.

PROJECTS AT BEATRICE AND FREMONT, NEBR.

Senator McCARRAN. Let me ask you a question right there, if you please, Mr. Stanton. I ask this really for Senator Wherry, of Nebraska, who wished to come before the committee, and also for Senator Butler. With regard to Beatrice and Fremont, Nebr., do they stand about the same from the standpoint of expenditure and completion?

Mr. STANTON. Beatrice, Nebr., according to our estimates, would require \$450,000; Fremont, \$225,000.

Senator McKELLAR. Have you spent anything on those two?

Mr. STANTON. Nothing was spent on Beatrice before June 30, 1942, but on Fremont there had been expended \$11,925. However, we are sure that some expenditures have been made during this past fiscal year.

SITUATION REGARDING NEVADA PROJECTS

Senator McCARRAN. Right at that point, with reference to my own State, you have testified in times past before this committee in reference to Battle Mountain?

Mr. STANTON. Yes.

Senator McCARRAN. You placed a statement about it in the record.

Senator McKELLAR. How much has been spent on the one in Senator McCarran's State?

Senator McCARRAN. It is practically only the survey and allocation cost up to date.

Senator McKELLAR. What would be the cost of it?

Senator McCARRAN. The cost would be, according to Mr. Stanton's testimony before the Subcommittee on Appropriations for the Department of Commerce, approximately \$832,000. May I read his statement at that time?

Senator McKELLAR. Certainly.

EXCERPT FROM STATEMENT REGARDING BATTLE MOUNTAIN PROJECT

Senator McCARRAN. He said [reading]:

The sixth region, at the request of the Chief of the Airways Engineering Division, made a survey of a new site approximately 3 miles southeast of Battle Mountain and prepared cost estimates for its development in three stages. The initial stage provided for an intermediate field, consisting of two landing strips 5,500 feet long and 500 feet wide, at an estimated cost of \$50,000. The second stage provided for the paving of two runways 150 feet wide and 5,500 feet long, with an apron and taxiway, at an estimated cost of \$280,000. The third stage provided for a third runway and the extension of the other two runways plus field lighting, at a cost estimated to be \$502,000, making the entire cost of the project \$832,000.

That amount of \$832,000 is not only for the field, but is the total cost of the airport, to carry it from its present planning stage to final completion. Is that correct, Mr. Stanton?

Mr. STANTON. Total cost.

USE ON FIELD FOR COMMERCIAL PURPOSES.

Senator McCARRAN. That was the estimated total cost. You will correct me if I make a misstatement on this, Mr. Stanton, I am sure. This field has been contemplated and regarded highly with reference to an east-west air line from the Pacific coast through to Denver and points in the Middle West; is not that correct?

Mr. STANTON. Yes, sir. It is directly between Elko and Reno, and at one time we had a small emergency landing field at Battle Mountain. It became inadequate as the airplanes grew larger. More recently we have been hoping to find some way in which we could put a suitable intermediate landing field at that point on the original transcontinental airway.

Senator McCARRAN. It is on the original transcontinental airway; it is also on two transcontinental trunk-like railways, and also on the transcontinental highway. It is on the Humboldt river, in the beautiful, fertile Humboldt valley. In terms of the natural beauties of the surrounding country, and the suitability of the terrain, this is one of the finest airport sites in the entire West. It has everything an airport site requires, and it is situated right where a major airport is needed. So, by reason of all those facilities, and by reason of the fact that there is a long span between Salt Lake City and Reno, which are terminal points, a landing field in there has been deemed by your agency to be quite essential?

Mr. STANTON. Yes, sir.

Senator McCARRAN. It is deemed essential; the site is ideal; the cost is reasonable in view of the superb airport we will have out there when the project is completed. The need has been established, the project is economic, and the people out there are some of the finest folks in the world. That is the reason, Mr. Chairman, why together with these others, I have added that item. But let me say to you in that respect that many Congressmen and some of the Senators have seen fit to come to me on this item, requesting that at the first opportunity it be brought to the attention of this committee, looking to the carrying forward of these fields and their completion; otherwise the money that has been expended will, as I am advised—and Mr. Stanton will correct me in this if I am wrong—be largely lost.

Am I right in that last statement, Mr. Stanton?

EFFECT IF PROJECTS ARE NOT CONTINUED

Mr. STANTON. Certainly the work already done will deteriorate, and a very substantial portion of the public expenditures will have been wasted unless the work can be carried on to completion.

Senator McCARRAN. You will find, Mr. Chairman, when you go upon the floor, as I found when I had a similar item up in the regular appropriation bill that went through some days ago, that Senators will inquire about items for their particular States. As an instance, you will find in the Record that Senator Wherry queried me as to whether there was money in that bill to carry forward the fields for Beatrice and Fremont. I told him that there was none in there for those fields nor for any other fields that I knew about.

FIELDS IN QUESTION NOT APPROPRIATED FOR

Senator McKELLAR. Was that field appropriated for?

Senator McCARRAN. No. The Nevada field was not appropriated for, either. None of the fields that I have mentioned or that Mr. Stanton has mentioned have had money appropriated for their completion. They simply stand there in the initial stage, in the intermediate stage, or in the last stage of completion, and they will stand in those stages unless we do something toward appropriating money for them.

That is about the status, and I think that that is about the picture, is it not, Mr. Stanton?

Mr. STANTON. Yes, sir; that is about the picture.
 Senator McKELLAR. All right.

FEDERAL WORKS AGENCY

PUBLIC ROADS ADMINISTRATION

STATEMENT OF C. D. CURTISS, CHIEF, DIVISION OF CONTROL, AND E. W. JAMES, CHIEF, INTER-AMERICAN REGIONAL OFFICE, PUBLIC ROADS ADMINISTRATION

INTER-AMERICAN HIGHWAY (COSTA RICA)

Senator McKELLAR. Will you state for the record your names and positions occupied with the Public Roads Administration.

Mr. CURTISS. C. D. Curtiss, Chief, Division of Control, Public Roads Administration, accompanied by E. W. James, Chief, Inter-American Regional Office, Public Roads Administration.

TEXT OF BUDGET ESTIMATE

Senator McKELLAR. The Budget estimate in the amount of \$12,-000 000 for the Inter-American Highway will be placed in the record at this point.

(The estimate follows:)

[S. Doc. No. 77, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES, TRANSMITTING
 ESTIMATE OF APPROPRIATION FOR THE FEDERAL WORKS AGENCY, FISCAL YEAR 1944,
 AMOUNTING TO \$12,000,000

THE WHITE HOUSE,
 Washington, June 24, 1943.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress an estimate of appropriation for the fiscal year 1944, in the amount of \$12,000,000, for the Federal Works Agency.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
 BUREAU OF THE BUDGET,
 Washington 25, D. C., June 23, 1943.

The PRESIDENT,
 The White House.

SIR: I have the honor to submit herewith for your consideration an estimate of appropriation for the fiscal year 1944, in the amount of \$12,000,000, for the Federal Works Agency, as follows:

FEDERAL WORKS AGENCY

PUBLIC ROADS ADMINISTRATION

Inter-American Highway (Costa Rica): For surveys and construction of the Inter-American Highway (provided for by the act of Dec. 26, 1941 (Public Law 375), but without regard to the pro-

visions thereof), within the borders of the Republic of Costa Rica between Cartago and San Isidro del General, and necessary expenses incident thereto, without regard to sec. 3709, Rev. Stats., \$12,000,000, to remain available until expended----- \$12,000,000

Certain sections of the Inter-American Highway, from Laredo, Tex., to the Panama Canal, have been completed with funds provided by the governments of the Central American countries and with funds contributed by the United States, including appropriations made available under the provisions of Public Law 375 (77th Cong.), approved December 26, 1941, which authorized the appropriation of \$20,000,000 for expenditure on the survey and construction of the highway, provided that at least one-third of the costs would be assumed by each of the countries involved.

In June 1942 the Army ordered the construction of pioneer roads to connect completed sections of the Inter-American Highway so that a passable road would be available at the earliest possible date for war purposes. The rough terrain in a 58-mile stretch between Cartago and San Isidro del General in the highest part of the mountains in Costa Rica does not admit of adequate traffic solution by the construction of a pioneer road and the Public Roads Administration proposes to proceed with the construction of this stretch of road as soon as the necessary funds are appropriated.

The Department of State advises that the country of Costa Rica is financially unable to contribute toward the cost of construction on this particular section which, because of its extraordinarily rough terrain, will be the most costly section along the entire route of the Inter-American Highway.

The foregoing estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1944, and its approval is recommended.

Very truly yours,

HAROLD D. SMITH,

Director of the Bureau of the Budget.

Senator McKELLAR. Now will you tell us what you want the committee to know.

Mr. CURTISS. I would like to state that Mr. MacDonald is very sorry he couldn't be here. He left this morning for an inspection of the Alaska Highway. Mr. James who has had charge of the work on the Inter-American Highway since its inception is here, however, and will make a general statement and then give any further details the committee desires.

Senator McKELLAR. All right, Mr. James.

PROPOSED USE OF FUNDS REQUESTED

Mr. JAMES. There is an estimate of appropriation, I understand, for \$12,000,000, recommended by the Budget and the President for use in completing a particularly difficult gap in the Inter-American Highway, the excessive cost of which was not foreseen. The reason for the excess over what was contemplated is the fact that the work has been greatly expedited by two directives of the General Staff that the road to Panama be opened at the earliest possible date.

WHEN WORK WILL BE COMPLETED

Senator McKELLAR. How long will it be before that is done?

Mr. JAMES. It ought to be done next year at this time.

Senator McKELLAR. Within 1 year?

Mr. JAMES. Yes, sir.

Senator McKELLAR. All right, sir; go ahead.

Mr. JAMES. The particular section for which this money is required in order to complete and make the road an open highway

all the way through is across the Continental Divide in Costa Rica, where the mountainous conditions are much worse than anything contemplated.

TYPE OF ROAD BEING CONSTRUCTED

Senator McKELLAR. Is all of the highway concreted, or how is it finished?

Mr. JAMES. No, sir. The construction we are putting down is what is called black top.

Senator McKELLAR. What sort of a foundation are you putting down?

Mr. JAMES. Stone, or crushed gravel.

LENGTH OF ROAD

Senator THOMAS. What is the length of the road from Laredo, Tex., to Panama?

Mr. JAMES. Approximately 3,300 miles.

USE OF ROAD FOR MILITARY PURPOSES

Senator HAYDEN. I notice the estimate states in part [reading]:

In June 1942 the Army ordered the construction of pioneer roads to connect completed sections of the Inter-American Highway so that a passable road would be available at the earliest possible date for war purposes.

I take it from that statement that what the Army wants is a road that may be negotiated with a heavy truck.

Mr. JAMES. That is right.

Senator HAYDEN. That is what they want first?

Mr. JAMES. That is what they want first.

Senator HAYDEN. Then, following that, you would come along with the black-top surface?

Mr. JAMES. On this particular section we contemplate doing the work in one process.

Senator HAYDEN. Is that because of the rough terrain?

Mr. JAMES. Yes, where we felt the pioneer road through the mountains would not be adequate.

TITLE TO LAND ON WHICH ROAD IS BUILT

Senator McKELLAR. Does the American Government acquire title to the land on which this road is built?

Mr. JAMES. No, sir; it is a road through foreign countries, and they keep the title, of course.

AGREEMENT FOR USE OF ROAD

The conditions are that the road is open for free use by us, which includes military use, and those agreements are definitely in effect.

Senator McKELLAR. Does it include military use, in so many words? Does it say "military and other use?"

Mr. JAMES. Oh, yes.

Senator McKELLAR. The word "military" is in there?

Mr. JAMES. Yes, sir.

Senator McKELLAR. You haven't a copy of such an agreement?

Mr. JAMES. I haven't a copy of the communication of the State Department with me, in which that was set forth. But that was a cabled dispatch, an exchange of dispatches, in June 1942.

Senator McKELLAR. All right, sir.

Are there any other questions?

Senator THOMAS. This road runs through, first, the Republic of Mexico; then it enters Guatemala, then San Salvador, then it just touches Honduras, then Nicaragua, then Costa Rica, and Panama. We must have permission, in one form or another, to spend this money in those various countries?

Mr. JAMES. Yes, sir.

Senator THOMAS. Does your department or any department have the form of the agreement or treaty or permission or consent in writing?

Mr. JAMES. Yes, sir. The State Department was instructed in the original legislation to take up all preliminaries necessary.

Senator McKELLAR. Will you send us a copy of it?

Mr. JAMES. Yes, sir. And before we acted we had acknowledgments from all of the countries. We were not allowed to begin work in any country until we had the agreement of all the countries.

AMOUNT EXPENDED ON ROAD FROM LAREDO, TEX., TO PANAMA

Senator THOMAS. How much money has been expended on this road from Laredo to Panama to date?

Mr. JAMES. By us?

Senator THOMAS. Yes; by the United States.

Mr. JAMES. Roughly, about \$7,000,000.

AMOUNT REQUIRED TO COMPLETE ROAD

Senator THOMAS. How much more will it take to complete the road, to put it in the shape the War Department wants it?

Mr. JAMES. This \$12,000,000 will complete this particular section. There are thirteen millions more in an authorization of Congress that will be used over the next 5-year period to bring the pioneer road sections up to final standards of construction.

Senator McKELLAR. That will be a total of \$25,000,000?

Mr. JAMES. Of which \$13,000,000 is on an authorization already made.

Senator McKELLAR. It has already cost some eight or nine million?

Mr. JAMES. Oh, yes, sir.

Senator McKELLAR. And that will make it \$32,000,000?

Mr. JAMES. The entire cost will be more than that.

Senator McKELLAR. How much more than that?

Mr. JAMES. The entire cost to complete this road will be about \$62,000,000, as we figure it.

Senator McKELLAR. That is, from Laredo to Panama?

AMOUNT SPENT ON ROAD BY MEXICO

Mr. JAMES. Yes, sir. Mexico has spent, of course, large sums, but I haven't the Mexican figures with me. As nearly as I recall it, they

have spent about \$12,000,000 north of Mexico City and are spending about \$15,000,000 south of Mexico City. We have no part in that at all. They do all construction themselves, including the engineering.

MAINTENANCE OF INTER-AMERICAN HIGHWAY

Senator THOMAS. When we have expended our money on this road and have opened it up, what is the responsibility resting upon the United States for the maintenance of the highway?

Mr. JAMES. There is at the present time no responsibility on the United States to maintain the road. The responsibility rests with those countries. That is a matter which is under consideration now.

Up to the present time, the progress in constructing new mileage has been orderly and each year the several countries have been able to expand their highway departments and take care of the additional maintenance, as a few more miles of road have been constructed. Under this expedited construction, we are going to give them more miles of construction and more road to maintain than they may be able to take care of through an expansion of their highway departments.

That matter was raised by General Schley, who is now with the Office of the Coordinator of Inter-American Affairs, with me within the past 2 weeks, to see what preparations might have to be made in that respect. At the present time we have no commitments on that whatsoever except to repair damage due directly to United States Army traffic.

Senator THOMAS. Some of these countries are very poor. For instance, Nicaragua has a monetary unit worth about 20 cents in American money. The natives down there work for from 20 to 40 cents a day, in their money, which would mean from 8 to 12 cents a day in our money. That makes it obvious to me that they can't do much toward the maintenance of this road. What is going to happen in those countries on this question of maintenance?

Mr. JAMES. Two or three of those countries are in bad shape in that way. Mexico is doing a very good maintenance job. San Salvador does work equivalent to our State road maintenance in this country. Honduras is not so well organized to do road maintenance. Nicaragua, with their present organization, may be able to carry on for the next 2 or 3 years. They have been maintaining adequately but the limit may be reached soon. Costa Rica, if they had the money, I think, would do it. They are a thrifty people and tend to keep public works in good condition.

MILITARY AND OTHER USES OF ROAD

Senator HAYDEN. Why was the General Staff so anxious to have this road built? Was it because of the losses of ships by submarine sinkings between here and Panama?

Mr. JAMES. I have discussed that rather intimately with Army and naval officers, and most of them say it is insurance. They are not willing to admit that this would serve the purpose of ships for general transportation, if they didn't have an open seaway to Panama. They say it is insurance against the blocking of the Caribbean and the Gulf.

Senator THOMAS. Then the reason is that these countries are between here and the Panama Canal?

Mr. JAMES. That is the real reason.

Senator THOMAS. And it is very important to keep them on our side, in any emergency. This will open up those countries to tourists and to travelers, and to intercourse which will make us better acquainted with them, and vice versa. That is the big thing, as I see it.

Mr. JAMES. In addition, they are allowing us at the present time to develop the existing airports and to build new ones.

Senator THOMAS. Will you undertake to provide for the record such data as are available as to the consent we have to go in there and do that work?

Mr. JAMES. Yes, sir.

Senator THOMAS. So that we can see what our limitations and obligations and permissions are.

Mr. JAMES. Yes, sir. That record is complete in the State Department.

Senator THOMAS. We would like to have that for the record.

Mr. JAMES. Very well.

Senator McKEILLAR. Are there any further statements, gentlemen? If not, we are very much obliged to you.

(The matter referred to is as follows:)

EXHIBIT A

DEPARTMENT OF STATE,
Washington, February 12, 1942.

MR. THOMAS H. MACDONALD,

Commissioner, Public Roads Administration,

Federal Works Agency, Washington.

MY DEAR MR. MACDONALD: I take pleasure in enclosing herewith for your information, copies of instructions which have been forwarded to the American Legations in San Salvador, Tegucigalpa, Managua, and Guatemala, and the Embassy at Panama, with reference to the proposed United States cooperation in the construction of the Inter-American Highway in those countries in accordance with Public Law No. 375 of December 26, 1941.

Sincerely yours,

S. WELLES, *Under Secretary.*

JANUARY 24, 1942.

The Honorable ROBERT FRAZER,

American Minister, San Salvador.

SIR: With reference to the Department's Instruction No. 533 of January 5, 1942, enclosing a copy of Public Law 375 of December 26, 1941, which provides for cooperation with the Central American republics in the construction of the Inter-American Highway, I enclose herewith a draft of a note which you are instructed to present at your early convenience to the Salvadoran Minister for Foreign Affairs. It is believed that the note is self-explanatory.

I also enclose herewith copies of notes exchanged on January 16, 1942, between the Costa Rican Minister of Public Works and the Secretary of State. It is believed that the Costa Rican Minister's note, which for your confidential information was drafted in agreement with the Department, will be useful to you in connection with any suggestions which the Salvadoran authorities may seek from you in drafting their reply. You should particularly note the passages in the exchange of notes which allude to the loan which the Costa Rican Government had secured from the Export-Import Bank. You may informally point out to the Salvadoran authorities that a like mention in their request of the similar loan secured by El Salvador will constitute an adequate commitment within the meaning of the law as interpreted by this Government.

You may informally ascertain of the Salvadoran Government whether it would be willing to pay its share toward the construction of the highway in less than 4 years (the period now contemplated for its completion), in the event this seems desirable for military or economic reasons.

You should also point out that this Government will not assume more than two-thirds of the estimated necessary costs for the construction of the highway by the now approved route through El Salvador, which are estimated at \$1,200,000, and that if the Salvadoran Government wishes to reroute the highway or to increase the necessary minimum expenditures in connection with its construction all such extra expenditures must be borne by the Salvadoran Government. You should bear in mind, in case the matter is brought up, that this Government reserves the right in connection with the cooperation which it is extending to reject any further changes in the route, even though the Salvadoran Government may be able to provide for the necessary extra expenditures, if such changes would affect the value of the Highway from an international standpoint.

You are authorized to point out informally to the Foreign Minister that under the wording of the law the Salvadoran Government will be entitled to credit toward its one-third of the expenditures for any construction work performed after December 26 and that appropriate segregation of such subsequent accounts and evidence regarding them (which must be satisfactory to the appropriate United States accounting officials) should be maintained as from that date, if the Salvadoran Government desires to receive such credit pending the establishment of a standardized system for all such accounts in connection with the construction of the highway.

You are requested to forward to the Department a complete report of your conversations and copies of any written communications which you may exchange.

Very truly yours,

A. A. BERLE, Jr.
(For the Secretary of State).

[Copy—Translation]

LEGATION OF EL SALVADOR,
Washington, January 30, 1942.

His Excellency CORDELL HULL,
Secretary of State,
Washington, D. C.

MR. SECRETARY OF STATE: Complying with instructions received from my Government, I have the honor to request Your Excellency's kind cooperation in the following manner:

Public Act No. 375, approved by the Senate and House of Representatives of the United States of America, assigns a sum not greater than \$20,000,000 for cooperating with the Governments of the Central-American republics in the study and building of the Pan-American Highway. The Government of El Salvador, after having signed the corresponding loan contract with the Export-Import Bank of Washington, is ready to continue work on the Pan-American Highway, which is already quite well advanced, the national legislative assembly having approved, for that purpose, by decree No. 109, published in the Official Gazette (Diario Oficial) of December 24 last, an extraordinary budget amounting to the sum of 1,000,000 colones (\$1,000,000) for the financing of the building of one-third of what remains to be built of the section of the Pan-American Highway belonging to El Salvador.

My Government takes the liberty of most courteously requesting the Government of the United States of America, to authorize the Office of the Public Roads Administration, Federal Works Agency, to take the steps necessary to render effective the cooperation contemplated in Public Act No. 375 mentioned above, insofar as El Salvador is concerned.

I take the liberty of enclosing with this note two certified copies of Legislative Decree No. 109, mentioned above.

I thank you in advance for the courteous consideration which Your Excellency may be pleased to give this matter.

I take great pleasure in availing myself of this new opportunity to repeat to Your Excellency the assurances of my highest consideration.

CARLOS ADALBERTO ALFARO,
Charge d'Affaires ad interim of El Salvador.

FEBRUARY 13, 1942.

The Honorable Senor Dr. DON HECTOR DAVID CASTRO,
Minister of El Salvador.

SIR: I have the honor to acknowledge receipt of your Legation's kind note of January 30, 1942, in which the cooperation of the Government of the United States was requested in the construction of the Inter-American Highway in El Salvador, and the assurances required by Public Law 375 of December 26, 1941, were offered in connection with such cooperation.

I take pleasure in informing you that the assurances offered are satisfactory to this Government. It is consequently the intention of this Government to extend to the Salvadoran Government the cooperation envisaged in the law, subject to the appropriation of the necessary funds by the Congress of the United States and to the receipt of the necessary assurances from the other republics mentioned in the law.

You are, of course, aware that by the terms of the law the survey and construction work which it authorizes shall be under the administration of the Public Roads Administration, Federal Works Agency. It is understood that the competent Salvadoran authorities are now making a subsidiary agreement with the administration to carry out this provision of the law.

I am much gratified at the prospect that through this cooperative undertaking it will be possible to complete the Inter-American Highway through El Salvador. Transportation facilities will be improved, new lands and new natural resources developed, additional markets opened, and local economic conditions benefited through the useful expenditure of money which this project envisages. Both of our countries should happily profit therefrom. I sincerely trust that the highway will serve not only as a link to increase material intercourse between our nations but also as another bond in the close friendship which unites us.

Accept, sir, the renewed assurances of my highest consideration.

SUMNER WELLES,

(For the Secretary of State.)

NOTE.—Similar letters were exchanged with all the republics concerned as indicated in the letter of Secretary Welles of February 12, 1942, to the Commissioner of Public Roads.

EXHIBIT B

[Telegram sent]

DEPARTMENT OF STATE,

Washington, June 20, 1942—7 p. m.

AMELGAMATION,

San Jose:

The most serious single problem currently confronting the American republics is that of the shortage of ships needed to maintain vital commercial traffic as well as to transport war materials. Action to control the submarine menace is becoming increasingly effective. The shipbuilding program of the United Nations is exceeding expectations. On the other hand, submarine losses may be expected to continue, although it is hoped at the diminishing rate, and the demand for ships for use in connection with military operations will increase. Therefore, no early relief of the shipping situation appears in sight, especially until such time as new ship construction exceeds losses.

In order to meet this problem, the Government of the United States has devoted earnest thought to the improvement of existing means of land communication and the opening of new means. This Government has already indicated its willingness to cooperate with the Central American republics and with Panama in the completion of the Inter-American Highway. Obviously, the existence of such a highway would be of great help not only in the movement of essential exports and imports to and from the countries directly concerned. It would also permit through traffic of a military nature between Panama and the United States. The Government of the United States is, therefore, considering the desirability of offering to enter into a cooperative arrangement with the Government to which you are accredited for the purpose of expediting the completion of a usable highway between the Mexican border and the Panama Canal. Such a cooperative arrangement would appear to come clearly within the terms of Resolution XV adopted at the Habana

meeting of foreign ministers, entitled "Reciprocal Assistance and Cooperation for the Defense of the Americas."

After setting forth the above general considerations to the foreign minister of the country to which you are accredited, you may give him the following details of the plan:

The Public Roads Administration, the War Department, and the Lend-Lease Administration are considering the possibility of linking the finished segments of the Inter-American Highway during the next dry season, which would permit through traffic to Panama within the year. In connection with their studies, the two former wish to have their own engineers make a complete survey of the proposed links, starting about July 1. You are requested, unless you perceive objection thereto, to ask permission for approximately five surveying parties to make this survey in Costa Rican territory. The parties, which would include Army engineers, will be of about 12 men each not including locally employed laborers.

The following tentative plans have been drawn up for the construction of the road:

The road would be built on the line of the proposed Inter-American Highway with a minimum width of 12 feet, maximum gradient 10 percent, and a minimum curve radius 30 meters, with emergency tolerance of 20 meters. The surface would be 10 feet wide of gravel or crushed stone, laid in two 4-inch compacted courses or equivalent without artificial binder.

This Government would assume all of the expenses of the survey and construction involved except where new permanent structures are introduced; these structures would be built from cooperative Inter-American Highway funds under the agreement already reached with Costa Rica. In view of the commitment already entered into by Costa Rica regarding the provision of the right-of-way for the Inter-American Highway, you should express the confident hope that that Government will find it possible to complete all of the necessary arrangements so that the right-of-way may be available by November 1.

A preliminary survey of the ways and means for the carrying out of the proposed project indicates that certain constructors in the United States have idle personnel and equipment because of the cessation of road construction here. In the event that such equipment and personnel are unavailable in Costa Rica, it appears that the only practicable manner of carrying out the project would be to use the aforesaid United States contractors and you should therefore seek an agreement in principle from the Government of Costa Rica for these contractors with their personnel and equipment freely to enter Costa Rica. Local technical personnel, labor, and equipment will, of course, be used so far as available.

Since one of the primary objectives of the completion of the road is to facilitate passage of officers and men of the United States Army with their arms, provisions, and other military matériel and equipment, you should reach an understanding with the Government to which you are accredited in the sense that such passage would in every sense be facilitated by the local authorities. In this connection you may assure the Costa Rican Government that this Government is ready to enter into an equitable arrangement to take care of the maintenance and repair work necessitated by damage or wear to Costa Rican highways by United States Army traffic.

By providing a very considerable part of the survey and grading costs which would otherwise fall on the cooperative Inter-American Highway funds, a saving to the Costa Rican Government should be effected, and a through line of communication in Central America should also be established at a much earlier date than originally contemplated.

You may informally discuss this project with the appropriate Costa Rican authorities and ascertain their views regarding it. You should point out that by authorizing the survey and construction of this road, Costa Rica cannot only make a valuable contribution to our joint war effort, and it is on this basis that this Government is seeking the Costa Rican cooperation outlined above, but also provide a real stimulus to the national economy. Please emphasize that a favorable answer regarding the survey is earnestly desired at an early date.

HULL.

NOTE.—Similar instructions went to each of our missions in Central America, and favorable replies were received from all.

DEPARTMENT OF COMMERCE

CIVIL AERONAUTICS ADMINISTRATION

STATEMENT OF HON. KENNETH S. WHERRY, A UNITED STATES
SENATOR FROM THE STATE OF NEBRASKA

COMPLETION OF AIRPORTS AT BEATRICE AND FREMONT, NEBR.

Senator McCARRAN. Mr. Chairman, Senator Wherry is here and wishes to go to a meeting. I am wondering if he can be heard at this time.

Senator McKELLAR. The committee will be pleased to hear you, Senator.

Senator WHERRY. I wanted to tell you about the interest we have in Nebraska, relative to the two unfinished airports at Beatrice and Fremont, Nebr., that were started and have not been completed. I feel the Beatrice airport should be completed. It was started under the W. P. A. project. Beatrice is about 40 miles from my home town, located in a level country. The citizens have backed it up in every way. They have raised the money for the location and I am quite sure they have subscribed considerable money to secure this location. I just had a phone call from George Sternmeyer, of Beatrice, Nebr., one of our influential men in Nebraska, asking that your committee give favorable consideration to take steps to see that the airport is completed.

The airport at Fremont is in about the same category, except it is further along. Fremont is just out of Omaha.

SIZE OF AIRPORT

Senator McKELLAR. What is the area of these airports?

Senator WHERRY. The Beatrice airport consists of approximately 600 acres, and the Fremont airport has some 225 acres. I am advised by the Administrator of the Civil Aeronautics Authority that both of these airports if finished according to plan would be suitable for scheduled air-carrier operations.

Senator THOMAS. Do you know how long the runways are?

Senator WHERRY. I wouldn't want to say until I can produce the record. If you would like to have that information, I will furnish it to you right away.

Senator THOMAS. If you will put it in the record.

Senator WHERRY. I didn't bring my file; I came directly from the hearing room here, and don't have the particulars. But the Fremont airfield is a pretty large airfield. The reason they are anxious to complete that one is because they can use it under all conditions. The only airport we have at Omaha is on the Missouri River flats, and when it overflows, we are without an airport. We would like to have an outstanding airport there, which will come afterwards.

Senator THOMAS. They are constantly lengthening the runways.

Senator WHERRY. I now have the record handed me by Mr. Stanton, Administrator of the Civil Aeronautics Authority.

In regard to the Beatrice Airport, the project to complete the necessary work provides for the construction of two landing strips 500 feet wide and 4,000 feet long with runways paved thereon 150 by 3,800 feet. The project for the Fremont Airport includes completion of the paving of the runways 100 by 3,800 feet.

Senator THOMAS. If they are not 5,000 feet long, they can't accommodate those large planes.

Senator WHERRY. I can guarantee this, that in the event they want to lengthen either of these airways, the money will be provided by the local people.

Senator McCARRAN. That is, for the land?

Senator WHERRY. Yes. I have seen and been on both fields. The land is just as level as it can be. Those sites are just as level as this table, with plenty of land around there, if it is needed.

Senator WHERRY. I would deeply appreciate the consideration of those two fields, at Beatrice and at Fremont, in your appropriation. I am sure, from a business angle, it is a very good proposition.

Thank you very much.

LIST OF AIRPORTS FOR WHICH FUNDS ARE REQUESTED

Senator McCARRAN. Mr. Chairman, there was presented by the Administrator of the Civil Aeronautics Administration when he was here a statement as to the 29 airports and the amounts involved with respect to each of them, which I don't think went into the record at the time.

Senator HAYDEN (presiding). Without objection, the statement will go into the record.

(The statement referred to follows:)

Department of Commerce, Civil Aeronautics Administration, Airport Division

Location	Airport classification		Expenditures reported by Work Projects Administration to June 30, 1942			Estimated cost to complete
	Present	Proposed	Federal	Sponsor	Total	
1. Merced, Calif.....	3	3	\$53,825	\$17,282	\$71,107	\$250,000
2. Pueblo, Colo.....	3	3	317,819	57,654	375,473	70,000
3. Danbury, Conn.....	0	4	277,166	26,625	303,791	160,000
4. Atlanta, Ga. (municipal).....	4	4	722,298	204,547	926,845	20,000
5. Idaho Falls, Idaho.....	3	4	234,326	118,998	353,324	500,000
6. Bloomington, Ind.....	1	2	1,777	-----	1,777	100,000
7. Iowa City, Iowa.....	4	4	365,946	38,779	404,725	130,000
8. Pittsburg, Kans.....	1	3	3,591	335	3,926	600,000
9. Dexter, Maine.....	0	2	139,053	14,050	153,103	80,000
10. Eastport, Maine.....	2	2	556,385	16,126	572,511	50,000
11. Menominee, Mich.....	0	4	50,488	27,426	77,914	250,000
12. Eveleth, Minn.....	0	3	83,882	65,693	149,575	504,000
13. Hibbing, Minn.....	3	3	434,628	76,782	510,810	240,000
14. International Falls, Minn.....	0	3	9,214	-----	9,214	325,000
15. Beatrice, Nebr.....	0	3	-----	-----	-----	450,000
16. Fremont, Nebr.....	0	3	11,648	277	11,925	225,000
17. Raton, N. Mex.....	4	4	29,159	424	29,583	75,000
18. Burlington, N. C.....	0	3	14,679	2,840	17,519	475,000
19. Rockingham, N. C.....	0	3	36,669	149	36,818	75,000
20. Wilson, N. C.....	0	2	7,507	326	7,833	400,000

Department of Commerce, Civil Aeronautics Administration, Airport Division—Con.

Location	Airport classification		Expenditures reported by Work Projects Administration to June 30, 1942			Estimated cost to complete
	Present	Proposed	Federal	Sponsor	Total	
21. Valley City, N. Dak.-----	2	3	\$7,277	\$10,564	\$17,841	\$250,000
22. Henderson, Tex.-----	0	3	5,167		5,167	200,000
23. Clarksburg, W. Va.-----	3	3	521,215	172,483	693,698	150,000
24. Wheeling, W. Va.-----	3	4	1,170,470	499,498	1,669,968	631,000
25. Eau Claire, Wis.-----	0	3	13,919	6,293	20,212	750,000
26. Oshkosh, Wis.-----	2	3	35,964	92,604	128,568	600,000
27. Siren, Wis. (Burnett County)-----	0	2	1,316		1,316	300,000
28. Des Moines, Iowa-----	4	4	1,653,860	407,631	2,061,491	140,000
29. Battle Mountain, Nev.-----						832,000
Total-----			6,558,648	1,857,386	8,416,034	8,832,000

GOVERNMENT PRINTING OFFICE

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

STATEMENTS OF FELIX E. CRISTOFANE, COMPTROLLER, GOVERNMENT PRINTING OFFICE; AND BERNARD R. KENNEDY, DIRECTOR OF FEDERAL REGISTER

TEXT OF BUDGET ESTIMATE

Senator McKELLAR. You have an item of \$17,000,000 from the Printing Office?

Mr. CRISTOFANE. Yes, sir.

Senator McKELLAR. The Budget estimate will be placed in the record at this point, and you will please explain it.

(The estimate follows:)

[S. Doc. No. 71, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE LEGISLATIVE ESTABLISHMENT, GOVERNMENT PRINTING OFFICE, FISCAL YEAR 1944, AMOUNTING TO \$17,000,000

THE WHITE HOUSE,
Washington, June 19, 1943.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the legislative establishment, Government Printing Office, fiscal year 1944, involving an increase of \$17,000,000, in the form of an amendment to the Budget for said fiscal year.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 18, 1943.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the legislative establishment, Government

Printing Office, fiscal year 1944, involving an increase of \$17,000,000, in the form of an amendment to the Budget for said fiscal year, as follows:

GOVERNMENT PRINTING OFFICE

WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

On page 20 of the Budget, column 1, line 33, as amended by the President's letter of March 12, 1943, House Document No. 131, increase the estimate for the item from "\$7,235,000" to "\$24,235,000"; in line 43 of the same paragraph change the amount from "\$3,000,000" to "\$20,000,000"; and in line 45 of the same paragraph change the word "six" to "twelve" (increase)----- \$17,000,000

The letter of the Public Printer, dated June 12, 1943, submitting this estimate, is transmitted herewith.

This being an estimate for the legislative establishment, I make no observation concerning its necessity.

Very respectfully,

WAYNE COY,
Acting Director of the Bureau of the Budget.

UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., June 12, 1943.

The DIRECTOR,
Bureau of the Budget, Washington, D. C.

DEAR SIR: I am submitting to the Bureau of the Budget for transmission to the Congress a supplemental appropriation estimate for the fiscal year 1944:

Working capital and congressional printing and binding: An additional amount for working capital and congressional printing and binding, \$17,000,000; *Provided*, That this amount shall be returned to the Treasury as an unexpended balance not later than 12 months after the close of the fiscal year 1944----- \$17,000,000

The basis for this supplemental estimate is as follows:

In order to produce the printing and binding required for the conduct of the war, it has been found necessary to increase materially the volume of paper on hand and also to place orders for large additional quantities, so that it will be available when needed. Greatly increased requirements for printing and binding render it imperative that paper inventories be further expanded. Orders on commercial contractors for printing and binding that the Government Printing Office is unable to produce have also increased tremendously and the indications are that there will be a still greater increase in the fiscal year 1944.

It is necessary that payments be made to paper and printing contractors in a reasonable time after delivery of material. The working capital available in the fiscal year 1943 has been found to be insufficient to take care of our obligations while billings and collections are being made. It is believed that the additional amount requested for the fiscal year 1944 is the minimum that will enable the Government Printing Office to take care of current needs and the anticipated expansion.

It will be appreciated if you will transmit this supplemental estimate to the Congress as soon as convenient.

Very truly yours,

A. E. GIEGENGACK,
Public Printer.

Mr. CRISTOFANE. The Public Printer, by letter dated June 12, 1943, transmitted his estimate for an increase in working capital fund for the fiscal year 1944, from \$3,000,000 to \$20,000,000. This results in a net increase in the working capital fund of \$17,000,000.

NEED FOR INCREASE IN WORKING CAPITAL FUND

Senator McKELLAR. Why is that necessary?

Mr. CRISTOFANE. The volume of business in the Government Printing Office has increased very greatly.

Senator McKELLAR. Have you ever had more than \$3,000,000 before?

Mr. CRISTOFANE. We have had \$6,000,000 for 1943.

Senator McKELLAR. You had \$3,000,000 in 1943. Has it increased nearly three times?

Mr. CRISTOFANE. Yes, sir. We have that money tied up in work in process. We have \$11,000,000 of it tied up in work in process.

AMOUNT OF ACCOUNTS RECEIVABLE

We have a six-million-dollar accounts receivable. We have a paper inventory of \$5,000,000 which is already obligated for orders that have already come into the plant.

Senator HAYDEN. What do you mean when you say you have accounts receivable of \$6,000,000?

Mr. CRISTOFANE. We have to operate on a revolving basis and put out our capital first and collect it from the departments afterward. That is the reason we have a total of \$24,000,000 tied up in various things. Eleven million dollars are tied up in work in process. Part of that is paper, and another part is expenses to contractors and our pay roll on uncompleted work. There is an interim in between the time we pay for the work, write the bills, and get the money back again. None of this money we are asking for is going to be spent outright and not gotten back again. Every dollar of it will be put back into the Treasury within 1 year.

EXTENT OF SUBLETTING WORK TO PRIVATE PRINTERS

Senator THOMAS. To what extent are you subletting work to the printers of the United States?

Mr. CRISTOFANE. We are subletting work to the printers of the United States to the extent of \$25,000,000.

Senator THOMAS. Which makes it necessary for you to have a greater revolving fund, does it not?

Mr. CRISTOFANE. Yes, sir.

Senator HAYDEN. As chairman of the Joint Committee on Printing, we have found ourselves confronted with a very difficult situation. For instance, at the time of the first draft, under the Selective Service Act, it was terribly hard to get men registered. So the mats were prepared in the Government Printing Office and mailed to the adjutant general of each State. There had to be about 30,000,000 of them printed. The bills came in, up to 200 percent above the cost of the Government Printing Office.

Subsequent to that time, the Public Printer took an inventory by sending a questionnaire to every printing press in the United States, asking "What equipment have you?" Certain equipment could print ration books and other equipment could not. Where they could, they

could send them the mats to work with, and in that way they have been able to get the work done.

When the second Selective Service Act came along, they knew who could do the work. It works out in that way; but there is a great deal of misunderstanding about it. The work is of such a nature that a small, local printer can't possibly do it. It requires a large printing plant with equipment comparable to the equipment of the Government Printing Office.

What Congress does is appropriate to the several departments of the Government certain sums of money available to them for the printing of the respective departments. That is correct, is it not?

Mr. CRISTOFANE. That is right.

USE OF REVOLVING FUND

Senator HAYDEN. Then, when some work is to be done for that department, the copy is sent to the Government Printing Office. You then invest in that, out of this revolving fund, the cost of the paper and the labor. When the job is finished, you send them a bill?

Mr. CRISTOFANE. Yes, sir.

Senator HAYDEN. And they, out of their funds, pay the Government Printing Office for doing the work.

Mr. CRISTOFANE. Yes, sir.

Senator HAYDEN. That is why you say this fund has increased, although it doesn't mean any actual drain on the Treasury of the United States.

Mr. CRISTOFANE. That is right.

Senator HAYDEN. Are there further questions?

PRINTING AND DISTRIBUTION OF THE FEDERAL REGISTER

AMOUNT OF BUDGET ESTIMATE

Senator HAYDEN. Here is another Budget estimate for the Government Printing Office (reading):

Draft of a proposed provision pertaining to the appropriation, "Working capital and congressional printing and binding, 1943." The limitation on the amount which may be expended for printing, binding, and distribution of the Federal Register under the appropriation, "Working capital and congressional printing and binding, 1943," is hereby increased from \$220,000 to \$430,000.

JUSTIFICATION OF PUBLIC PRINTER

The Public Printer justifies that by saying that [reading]:

The further increase in the volume of documents required to be printed in the Federal Register has practically exhausted the \$400,000 available for printing this publication, the charges for 11 months amounting to \$377,895.

The average number of pages per month for the first 7 months of the fiscal year was 1,120, while for the succeeding 4 months the average has been 1,550 pages. The number of copies printed daily has increased from 20,000 in January to 23,000 in May. It is believed that the additional \$30,000 will be sufficient to cover any further expansion that may occur in June.

TEXT OF BUDGET ESTIMATE

I will insert in the record the complete text of the Budget estimate.
(The estimate referred to follows:)

[S. Doc. No. 73, 78th Cong., 1st sess.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING
DRAFT OF A PROPOSED PROVISION PERTAINING TO AN EXISTING APPROPRIATION
FOR THE LEGISLATIVE ESTABLISHMENT, GOVERNMENT PRINTING OFFICE, FOR
PRINTING, BINDING, AND DISTRIBUTION OF THE FEDERAL REGISTER

THE WHITE HOUSE,
Washington, June 19, 1943.

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress
a draft of a proposed provision pertaining to an existing appropriation for the
legislative establishment, Government Printing Office.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 18, 1943.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for the consideration of Congress
a draft of a proposed provision pertaining to an existing appropriation for the
legislative establishment, Government Printing Office, as follows:

"GOVERNMENT PRINTING OFFICE

"Draft of a proposed provision pertaining to the appropriation, 'Working capital and congressional printing and binding, 1943.'—The limitation on the amount which may be expended for printing, binding, and distribution of the Federal Register under the appropriation, 'Working capital and congressional printing and binding, 1943,' is hereby increased from \$220,000 to \$430,000."

The letter of the Public Printer, dated June 12, 1943, submitting this proposed provision, is transmitted herewith.

This being a proposed provision for the legislative establishment, I make no observation concerning its necessity.

Very respectfully,

WAYNE COY,
Acting Director of the Bureau of the Budget.

UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., June 12, 1943.

The DIRECTOR, BUREAU OF THE BUDGET,
Washington, D. C.

DEAR SIR: I am submitting to the Bureau of the Budget for transmission to Congress a draft of a proposed change in the appropriation for the fiscal year 1943 to provide for an increase in the limitation for the Federal Register, as follows:

"Working capital and congressional printing and binding, 1943: The amount available for the printing, binding, and distribution of the Federal Register is hereby increased to \$430,000 for the fiscal year 1943: *Provided*, That no increase is thereby made in the existing appropriation for working capital and congressional printing and binding."

The further increase in the volume of documents required to be printed in the Federal Register has practically exhausted the \$400,000 available for printing this publication, the charges for 11 months amounting to \$377,895.

The average number of pages per month for the first 7 months of the fiscal year was 1,120, while for the succeeding 4 months the average has been 1,550 pages. The number of copies printed daily has increased from 20,000 in January to 23,000 in May. It is believed that the additional \$30,000 will be sufficient to cover any further expansion that may occur in June.

It will be appreciated if you will transmit this estimate to Congress as soon as convenient.

Very truly yours,

A. E. GIEGENGACK,
Public Printer.

INCREASE ON LIMITATION, FEDERAL REGISTER, REQUESTED

Senator HAYDEN. That is a deficiency for the month of June, and then you want the authorization increased for the next fiscal year? Is that the situation?

Mr. CRISTOFANE. Not exactly, sir. The only thing we are asking for is a change in the language to increase the limitation to \$430,000. We have a balance left over which will take care of that money.

Senator HAYDEN. I see. I assume the reason why the Federal Register is increasing in size is because of the large number of—

Senator MCCARRAN (interposing). Executive orders.

Senator HAYDEN. Well, it runs down from Executive orders to rulings by the Office of Price Administration and the War Production Board.

PRINTING OF RULINGS OF DEPARTMENTS

Each agency of the Government makes a record of its rulings, and they are printed in the Federal Register—which is the only way we can be advised of them?

Mr. CRISTOFANE. That is right.

Senator HAYDEN. Am I correct that these rulings are effective upon publication in the Register?

Mr. KENNEDY. Mr. Chairman, I am the Director of the Federal Register, and I want to say they become effective immediately upon filing.

Senator HAYDEN. How long does it take before you get around to printing them?

Mr. KENNEDY. They are printed as soon as possible, usually by the next day.

Senator HAYDEN. You get to them as quickly as you can?

Mr. KENNEDY. Yes, sir; we send them down immediately.

Senator HAYDEN. Has the volume of these orders increased?

Mr. KENNEDY. Yes; tremendously.

Senator HAYDEN. What is the chief source of these orders?

Mr. KENNEDY. The war agencies. I would say they are giving us about 75 percent of the material we are printing now.

RECEIPTS FROM SALES OF FEDERAL REGISTER

I would like to say, too, we are taking in quite a respectable amount of money for sales of the Federal Register. The last fiscal year we took in \$223,000 for sales of the Register and the Code of Federal Regulations, which does not include any separate sales of separate copies, which runs perhaps seven or eight thousand dollars a year.

Senator HAYDEN. You mean to say there are certain business firms in the United States who subscribe for it?

NUMBER OF SUBSCRIBERS

Mr. KENNEDY. Yes, sir; at \$15 a year, and we have about 13,600 subscribers.

Senator HAYDEN. It is really the only way by which one who wants to be informed of these various orders can be sure of being advised of them?

Mr. KENNEDY. Yes, sir.

Senator TYDINGS. How much has your subscription list increased in the last year?

Mr. KENNEDY. From the beginning of the fiscal year, I think about 7,000.

INCREASE IN INDIVIDUAL SALES

Senator TYDINGS. And how much have your individual sales, or the separate sales to which you refer, increased?

Mr. KENNEDY. I can't get the figures on that.

Senator TYDINGS. Can you give me any idea as to that?

Mr. KENNEDY. No, sir; because the Government Printing Office sells so many separate documents they can't keep a separate record of all of them.

Senator TYDINGS. I was going to say if these war agency rulings continue for another year, with the multiplicity of things happening, the sales or subscriptions will be doubled, since business will be almost compelled to take the Register.

Senator HAYDEN. If there are no further questions, we thank you very much.

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL RESOURCES PLANNING BOARD

STATEMENTS OF CHARLES W. ELIOT, DIRECTOR, AND HAROLD MERRILL, EXECUTIVE OFFICER

SALARIES AND EXPENSES, SUPPLEMENTAL APPROPRIATION FOR 1944 EXPENSES INCIDENT TO LIQUIDATION OF BOARD

Senator HAYDEN. Gentleman of the committee, I shall read a letter addressed by Mr. Frederic A. Delano, Chairman of the National Resources Planning Board, to Senator McKellar, dated June 24:

MY DEAR SENATOR MCKELLAR: The House Appropriations Committee has reported the second deficiency bill for 1943 with only \$29,500 for the National Resources Planning Board instead of the \$42,500 requested.

As I wrote you on June 22, we submitted this request following your conference with Dr. Merriam and Mr. Eliot last Friday and in accordance with your statement on the Senate floor.

The House committee, while earmarking the needed \$42,500 for payment of earned leave, has taken the occasion to reduce the appropriation in the independent offices bill for winding up the Board's affairs by \$13,000. This may seem negligible and I hesitate to bother you about it, but the record should show that we protest this cut because it does not meet our obligations as we estimate them.

We have already sent you the detailed estimates and justification for the whole \$42,500 requested to be added to the \$50,000 in the independent offices bill. If you have any questions concerning that justification (additional copy herewith), we shall be only too glad to answer them.

(The estimates and justification referred to follow):

JUSTIFICATION

Supplemental appropriation, discontinuance of Board, \$42,500: For an additional amount for salaries and expenses, National Resources Planning Board, fiscal year 1944, to be used exclusively for the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943.----- \$42,500

The \$50,000 provided in the independent offices appropriation bill "for all expenses incident to the discontinuance of the work of the Board" is inadequate to cover both essential services for such discontinuance, and the amount necessary for "the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943." The following table shows estimated minimum expenses involved:

1. Personal services:	
(a) Board and advisers (2 meetings, July and August)-----	\$2,900
(b) Washington, Administrative staff, 1 to 6 months (accounts, auditing, personnel, publications, etc.)-----	25,500
(c) Field, closing 11 field offices-----	10,000
2. Accumulated and accrued annual leave-----	42,500
3. Travel (board, \$1,000, and closing field offices, \$500)-----	1,500
4. Communications (Washington and field)-----	1,500
5. Transportation of things (connection closing field offices)-----	1,200
6. Printing and binding (report to Congress on wind-up)-----	3,500
7. Contingencies and reserve-----	6,400
	95,000

BASIS OF ESTIMATE

1. *Personal services*—(a) *Board and advisers, \$2,900.*—Based on two meetings—one each in July and August and service of board members. Mr. Delano 5 days per month, Messrs. Merriam and Yantis 10 days each per month, and Messrs. Dennison and Ruml 2 days each per month, all at \$50 per diem, before August 31.

(b) *Washington administrative, \$25,500.*—Allows for—

(1) Director, executive officer, secretarial and clerical for up to 6 months.	\$12,500
(2) Personnel, pay-roll and leave staff, 7, at \$3,200 to \$1,620 for 1 to 4 months-----	3,500
(3) Administrative, accounts, bookkeeping, voucher clerks, etc., 7, at \$2,900 to \$1,440 for 1 to 5 months-----	3,500
(4) Files, mail, library, and miscellaneous, 4, at \$3,200 to \$1,620 for 1 to 4 months-----	2,000
(5) Publications, distribution of reports and completion of those being printed, 3 people for 3 to 5 months-----	3,000
(6) Allowance for miscellaneous, occasional service—few days of technical staff, totaling not more than-----	1,000

(c) *Field, \$10,000.*—Allows for closing 11 field offices, sorting and packing records and files, and arrangements for transfer of space and equipment to other agencies, etc., secretaries and occasional service of other staff pending transfer, average of \$300 per office.

2. *Accumulated and accrued annual leave, \$42,500.*—Leave due employees totals about \$98,000. We have reviewed the situation of each individual on the staff as to probability and time of their transfer to other Federal agencies and our best estimate is that the Board will owe not less than \$42,500 for earned leave due to employees after June 30 who are leaving the Federal service, who are going into the armed forces, or while their transfer is in process.

It is proving practically impossible for men with a draft status of I-A, II-A, II-B, or III—fathers with no children before Pearl Harbor, to transfer to other agencies or to get other employment. The leave due such men alone amounts to \$13,000. A considerable number of our staff are transferring to the employment of States or local governments, to Federal Reserve banks, or to other private employment. We must also allow for some delay in effecting transfers to other Federal agencies after June 30, during which the employees involved will be on annual leave.

3. *Travel, \$1,500.*—Allows for two Board meetings at average of \$500 per meeting and \$500 more for possible necessary trips re field offices.

4. *Communications, \$1,500.*—Allows \$1,000 for regular Washington service tapering from present monthly charge to nothing in December and \$500 for all long distance, telegram, and field office charges.

5. *Transportation of things, \$1,200.*—For sending records and files from field offices to Washington and Archives.

6. *Printing and binding, \$3,500.*—For report to Congress on winding up affairs of the Board and summary report by the Board.

7. *Contingencies and reserve, \$6,500.*—Probably low since no padding whatsoever in previous items. Should have allowance for such possibilities as paying men going into armed forces for necessary services up to time of induction to avoid break in service if only few days involved, for possible inadequate provision for work involved in 20 percent pay-roll deduction procedures, for rent of field offices pending cancelation of leases, for duplicating services, and incidental technical assistance.

All members of the staff, except the nucleus administrative group outlined under "Washington Administrative" (1. (b) above) have been notified that their active service with the Board will cease on June 30 or July 2, and that their appointments will be terminated at the expiration of annual leave, unless they have transferred to another Federal agency before that time. We will almost certainly need occasional service from some of the technicians who are leaving, in order to clean up their work before August 31.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., June 19, 1943.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the National Resources Planning Board, Executive Office of the President, for the fiscal year 1944, amounting to \$42,500, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT—NATIONAL RESOURCES PLANNING BOARD

For an additional amount for salaries and expenses, National Resources Planning Board, fiscal year 1944, to be used exclusively for the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943:----- \$42,500

The appropriation for salaries and expenses for the liquidation of the National Resources Planning Board, fiscal year 1944, contained in the independent offices appropriation bill, 1944, is \$50,000. While this appropriation provides funds for liquidation, it is not sufficient to provide for the unusually large amount of accumulated and accrued annual leave to the credit of employees of the Board, which is not susceptible of any further reduction by contemplated transfers of employees to other Federal agencies, and which is not adequately provided for in the appropriation for 1944.

The foregoing supplemental estimate is required to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1944, and its approval is recommended.

Very respectfully,

WAYNE COY,
Acting Director of the Bureau of the Budget.

Senator HAYDEN. You are here, Mr. Eliot, to state the matter to the committee?

Mr. ELIOT. I am here, sir, to present that letter and to answer any questions. We have, of course, the material here to justify it, which was submitted in full in the House hearings. If you wish it separately submitted again, I am here to answer your questions about it.

FUNDS WOULD BE FOR LIQUIDATION

Senator TYDINGS. All you are asking for is sufficient money to liquidate your known and existing and definite obligations?

Mr. ELIOT. That is correct, sir.

Senator TYDINGS. And the amount heretofore set aside for that purpose is not sufficient?

Mr. ELIOT. The independent offices appropriation bill provided \$50,000.

Senator TYDINGS. Yes.

Mr. ELIOT. And we submitted to the Budget, at the suggestion of Senator McKellar, a supplemental estimate of \$42,500.

Senator TYDINGS. Making \$92,500 altogether?

Mr. ELIOT. Yes, sir.

EFFECT ON LEAVE IF PERSONNEL TRANSFERS TO ANOTHER AGENCY

Senator TYDINGS. Suppose these men working there, immediately upon concluding their work with the Government in this department, go to another agency and start to work so that they don't take their leave. Would this earned leave, in that case, be in the nature of a bonus or something to which they would not be entitled if they kept on working with this department?

Mr. ELIOT. If they transfer to another Federal agency, the leave is transferred with them.

Senator TYDINGS. Then you wouldn't need the money, in that case, for those individuals?

Mr. ELIOT. That is correct. We started on June 1 with an estimated debt for earned leave of \$98,000. When this estimate was submitted on the 19th of June, we had cut that already, by these transfers, to an estimated \$42,500. Our estimates since then unfortunately have gone up by about \$2,000, rather than down.

It is an unpredictable item, because employees have the right to this leave. If they wish to take a vacation before taking another position, there is nothing in the law we can use to bring pressure upon them to transfer and not take their leave. Also, many of them are going into private employment, in which case they have their whole earned leave.

EMPLOYEES AFFECTED

Senator TYDINGS. Let me ask you how many employees are affected by this proposal.

Mr. ELIOT. We started on June 1 with 250 employees entitled to annual leave.

Senator TYDINGS. June 1 of this year?

Mr. ELIOT. June 1 of this year. We have given notice of termination of active duty to all but 32 of those employees, and they are all off active duty except those 32, tonight. So we have already made the cut, and I think it was expeditiously and efficiently handled. We made that cut, as you see, even before the Senate finally acted on the original Independent Offices Act.

Senator TYDINGS. That is about \$200 in round numbers, per person.

DRAFT PROBLEM

Mr. ELIOT. Some of them run very high, Senator—and there is a special problem. The men subject to draft, other agencies simply will not take, because their leave will become a debt and they figure they won't get enough work out of a man to warrant taking him if he is subject to the draft.

Senator TYDINGS. Is there any money asked for in this letter which you would not have to have to carry out the provisions of existing law?

Mr. ELIOT. No, sir.

Senator TYDINGS. All you want is to give the employees who have been in your Department what the law says they are entitled to, whenever they sever their connection with the Government?

REASON FOR HOUSE REDUCTION

Mr. ELIOT. That is the intent of the estimate, and the reason we are here is that the House cut the other allocation of \$70,000 by \$13,000.

Senator HAYDEN. Do you have any idea what the House had in mind when they cut the appropriation by this \$13,000?

Mr. ELIOT. They said in their report they wished to cut the compensation of Board members for meetings in July and August from \$2,900 to \$900; to eliminate all of the contingent fund of \$6,400; and a further cut of \$7,100 miscellaneous, not specified by the House committee.

I am chiefly concerned, Senator, about that contingent fund, because, as I have said, our estimate as to this amount of leave is something we can't control, and there should be some kind of a contingent allowance in this estimate.

Of course, whatever is left over reverts anyway; and I can assure this committee, as I did the House committee, it certainly is not my desire or the Board's desire to do anything except to clean everything up as rapidly as we can.

SITUATION REGARDING BOARD MEETINGS

Senator HAYDEN. Do I understand the House didn't want to pay the salaries of the Board members for any work they did? It says—reading from the House report:

The committee has reduced the amount of \$2,900 for compensation of Board members for meetings in July and August from \$2,900 to \$900.

Is it necessary for the Board to meet?

Mr. ELIOT. We thought so. But, of course, if the House and Senate don't want the Board to meet, they won't—or they will meet without cost to the Government.

Senator HAYDEN. In other words, there were supposed to be meetings once a month to wind up their business?

Mr. ELIOT. That was the intent; yes, sir. The independent offices appropriation bill provided the Board should be abolished on August 31, evidently intending that the Board should continue to work in July and August. So, in making this estimate, I naturally allowed compensation for the members for that period.

Senator HAYDEN. It says [reading]:

The committee has allowed \$29,500, and in so doing has approved the amount for accrued leave of \$42,500. The committee has reduced the amount of \$2,900 for compensation of Board members for meetings in July and August from \$2,900 to \$900, has eliminated the item for contingencies of \$6,400, and made a further cut in the salary and miscellaneous items of \$7,100. The amount disallowed is all taken from the Budget estimate considered in connection with this bill. The \$50,000 in the Independent Offices Appropriation Act, 1944, is consolidated with the \$29,500 recommended in this bill making a total of \$79,500. Of this total amount the bill requires that not less than \$42,500 shall be set apart exclusively for payment of the accrued leave and shall not be used for other purposes and the remaining amount, \$37,000, is segregated for payment of all other expenses of liquidation.

PAY OF BOARD MEMBERS

Senator TYDINGS. How much do the Board members get per day? Is there a scale?

Mr. ELIOT. In their salary?

Senator TYDINGS. Yes.

Mr. ELIOT. It is provided in the Reorganization Plan No. 1 that they shall get \$50 a day for not more than 30 days in any 2 consecutive months.

Senator TYDINGS. How many members of the Board are there?

Mr. ELIOT. Three.

Senator TYDINGS. And how far do they have to come?

Mr. ELIOT. Mr. Yantis comes from Olympia, Wash., and Dr. Merriam from Chicago.

Senator TYDINGS. How many days have they been sitting a month, in the past, on an average?

Mr. ELIOT. They have usually met once a month, for an average of 2 or 3 days. That is what I figured on for July and August.

Senator TYDINGS. And the employees have carried out their policies? A job of this magnitude, with three men scattered all over the country, and meeting not more than 3 or 4 days a month, in the very nature of things they could only say, "We ought to look into this or that." I think the reason it didn't have more support in Congress was that Congress thought it was a full-time job to which men might have devoted their whole time.

Do you agree with me?

Mr. ELIOT. I would like to say, Mr. Delano has been putting in charges for very few days a month.

Senator TYDINGS. How many days do you suppose he would average, from your observation?

Mr. ELIOT. Four or five.

Senator TYDINGS. About 1 day a week.

Mr. ELIOT. He is actually in the office each day; but he has not charged the Government except when he was actually sitting down with the Board members, or actively on Board work.

LENGTH OF BOARD MEETINGS

Senator TYDINGS. And how long would the Board meet?

Mr. ELIOT. Usually from 9:00 or 9:30, and broke up late in the afternoon—often with evening meetings, in addition, with various Government or private officials.

MAXIMUM SIZE OF STAFF

Senator TYDINGS. And the maximum size of your staff at the time of the congressional liquidation order was how many?

Mr. ELIOT. Two hundred and fifty per annum, and with almost an equal number of people on call, on a panel of consultants.

PER DIEM EMPLOYEES

Senator BROOKS. Were those who constituted the panel of consultants on a per diem basis?

Mr. ELIOT. They were on a per diem basis, under the rules of the Civil Service Commission, and subject to call, to work only when specifically assigned by letter from me.

Senator BROOKS. Was that a uniform per diem rate?

Mr. ELIOT. No, sir. It varied all the way from eight dollars and seventy-some cents up to \$25.

Senator HAYDEN. If there are no further questions, we thank you.

FEDERAL SECURITY AGENCY

STATEMENT OF CHARLES P. TAFT, DIRECTOR OF COMMUNITY WAR SERVICE

WAR AREA CHILD CARE

Senator HAYDEN. Will you state your name and title for the record?

Mr. TAFT. Charles P. Taft, Director of Community War Service, Federal Security Agency.

EARLIER ACTION ON ITEM

Senator HAYDEN. The committee will remember that earlier in the year we had a Budget estimate submitted to provide money for the care of the children of mothers employed in war areas, at which hearings Mr. Taft and other witnesses appeared. We included the amount in the first deficiency appropriation bill.

When the matter came to the floor of the Senate, objection was made that there was no authority of law for the appropriation and that it was a controverted matter, in a sense; therefore, that the matter had best be disposed of by legislation. That being the case, I introduced the Budget estimate as a bill, which was referred to the Committee on Education and Labor. Extensive hearings were held and the committee reported out the bill, S. 1130, which has passed the Senate. Mr. Taft has been requested to appear before the committee today to discuss the original Budget estimate in the light of what has been enacted by the Senate.

The object in mind is this, that the sum of money authorized by the bill be appropriated, contingent upon the enactment of the legislation by the House.

Is that a proper statement, Mr. Taft?

Mr. TAFT. I think that is correct, Senator.

Senator HAYDEN. To accomplish that, it would require this text in the bill [reading]:

War area child care (national defense): For payments to States, local public authorities, and nonprofit private agencies as provided by Public, Numbered — (S. 1130, Seventy-eighth Congress), for expenditure in accordance with State plans, submitted and approved as provided in that Act, for day care and extended school services for children of mothers employed in industries essential to the prosecution of the war, fiscal year 1944, \$20,000,000.

Salaries and expenses: For administrative expenses of the Federal Security Agency (and other Federal agencies on transfer thereto) necessary for carrying out the foregoing program of war area child care, including personal services in the District of Columbia and elsewhere, traveling expenses, including actual transportation and not to exceed \$10 per diem in lieu of subsistence and other expenses of persons serving, while away from their homes, without other compensation in an advisory capacity to the Federal Security Administrator; and

printing and binding (not to exceed \$30,000), fiscal year 1944, \$450,000: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchases from this appropriation when the aggregate amount involved does not exceed \$100;

With the following proviso:

That the sums appropriated under this heading shall not be available for expenditure until the date of enactment of said Act, S. 1130.

BUDGET ESTIMATE

Senator OVERTON. Do you want any change in the Budget estimate?

Senator HAYDEN. The Budget estimate as submitted was for the same amount of money. The text I am offering, however, is not the text of the Budget estimate, but the text which gives the money as, if, and when the bill passed by the Senate becomes a law.

Senator OVERTON. Is there any change in the amount of money?

Mr. TAFT. May I say, Senator, since this call came only yesterday afternoon, we have not had an opportunity to submit our estimates for this purpose to the Bureau of the Budget. They are substantially the same as those last spring, but not identical.

The language in that estimate as it was sent down, since there was no general authorization, really had to take care of a lot of provisions now in the authorization bill; and it provided at that time that the approval of State grants should be by the Office of Defense Health and Welfare Services, which is now in the Federal Security Agency, rather than by the Office of Education and the Children's Bureau.

The bill as passed provides for approval of plans and details by the Office of Education and the Children's Bureau. So that changes the administrative situation somewhat, but not the amount.

Senator HAYDEN. Nor the general purposes?

Mr. TAFT. Nor the general purposes.

Senator TYDINGS. All we are concerned with here, Mr. Chairman, as I understand it, is to ascertain the amount.

Senator HAYDEN. Yes, sir.

Senator TYDINGS. As I get it, the amount is the same, substantially, as last spring.

Mr. TAFT. That is right.

Senator HAYDEN. What we are providing for is that if any money is expended, it is to be expended in a manner provided by Congress.

Mr. TAFT. That is right.

TRAVEL PAY OF CONSULTANTS

Senator OVERTON. I note, as I read this language, it provides travel expense not to exceed \$10 a day.

Mr. TAFT. That is only for consultants, who are not paid any other compensation.

Senator TYDINGS. In other words, that \$10 covers their per diem, their expenses, and everything else?

Mr. TAFT. That is right; and under the opinion of the Comptroller General of last fall, that has to be spelled out in the act. That is the reason it is put in each of these.

Senator OVERTON. I think \$7 is the maximum allowed Army and Navy officers for traveling expenses.

Mr. TAFT. For Federal employees in the United States the allowance is \$6; this is for persons receiving no other compensation.

Senator TYDINGS. Then you don't have any vouchers to deal with?

Mr. TAFT. That is right. As a matter of fact, that is used, Mr. Chairman, ordinarily for such committee meetings of a group of consultants as you may get in for advisory purposes occasionally. It doesn't happen very often.

PROBLEMS TO BE DEALT WITH

Senator HAYDEN. I think it might be well if you want to state for the record just briefly what the problem is you are trying to reach—how many children will be affected and in what parts of the country. I think a brief statement of that nature would complete the record.

Senator OVERTON. Didn't we have all that testimony before?

Senator HAYDEN. We have had it before; yes.

Mr. TAFT. I think I might say a word about the provisions as they have been worked out in the bill, in relation to what we have said before. The provision is for a contribution not over 50 percent. It isn't intended to be 50 percent of unlimited expenditures. The custom, as I understand it, in connection with the Social Security Act, is that where you are matching dollar for dollar—

Senator TYDINGS (interposing). With whom?

COOPERATION WITH THE STATES

Mr. TAFT. With the States—if the amount expended by the States on old-age assistance or aid for dependent children runs higher than the estimates, then Congress has felt a moral obligation to appropriate whatever may be the shortage, so that it ends up 50-50.

In this case it is clearly understood this is the amount appropriated, and it is expected the contributions from State and local sources will be considerably more than 50 percent of the total—in some cases as much as 75 percent.

The method of operation is that our agency, the Federal Security Agency, allocates as between the Children's Bureau and the Office of Education, out of the total sum, maintaining some reserve for the balance of the year or for developments that may occur.

Thereafter, each of those agencies will indicate to the States about the amount they may expect; and their plans, therefore, will have to be prepared on the basis of having that much money, and getting the job done, which will result, we are sure, in larger State and local contributions.

FUNDS WOULD MATCH STATE FUNDS

Senator TYDINGS. All this money does is match the money the States have already provided for this particular purpose?

Mr. TAFT. The States and localities; and a considerable part of it comes from fees of those getting the benefit of the service.

MOTHERS WOULD PAY FOR SERVICE

Senator HAYDEN. That is, there are many mothers employed in industry, who will be glad to pay for the service?

Mr. TAFT. Yes, sir. I would say our estimate is 400,000 children. We are very hopeful the larger contribution of the States and localities means this will take care of perhaps 800,000 or more. But this \$20,000,000 is intended to provide for 400,000 children.

LANHAM ACT GRANTS

I might say the Lanham Act grants I think up to date contemplate something around some 9 million and have provided a capacity, at least, for about 175,000 children in over 300 localities. I can't give the exact figure; but it is somewhere around there. I might say they are not all in operation. That is the capacity.

I wonder if the committee would like to have references to the testimony on this matter:

In the House, in the testimony on the first deficiency bill for 1943, beginning at page 727; in the Senate, the testimony on the same bill, H. R. 1975, beginning at page 141; and the testimony in the Senate on S. 1130, before the Committee on Education and Labor.

Senator HAYDEN. If there are no further questions, we thank you, and the subcommittee will adjourn subject to call.

(Whereupon, at 12:30 p. m., Friday, July 2, 1943, the subcommittee adjourned subject to call.)

SECOND DEFICIENCY APPROPRIATION BILL, 1943

SATURDAY, JULY 3, 1943

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to call.

Present: Senators McKellar (presiding), Hayden, Tydings, Overton, Thomas of Oklahoma, Nye, Holman, and Brooks.

Senator McKELLAR. The committee will come to order.

General, now will you explain what you have to us?

FEDERAL WORKS AGENCY

COMMUNITY FACILITIES

STATEMENT OF MAJ. GEN. PHILIP B. FLEMING, ADMINISTRATOR OF FEDERAL WORKS AGENCY

General FLEMING. Philip B. Fleming, major general, United States Army, Administrator of Federal Works Agency.

We have an estimate before you, under H. R. 6128, which authorized an additional appropriation of \$200,000,000 for war public works under the Lanham Act.

The basis of this estimate is the bill under consideration by the Congress, H. R. 6128, which authorizes an additional appropriation of \$200,000,000 for war public works. This bill has passed the House, and hearings have been held by the Public Buildings and Grounds Committee of the Senate.

AMOUNT OF PRIOR APPROPRIATIONS

The Congress has previously appropriated under the Lanham Act \$1,200,000,000 for Federal public housing, and only \$300,000,000 for community facilities necessary in connection with such housing projects and required to meet the war impact in the local communities. The \$300,000,000 previously appropriated has been allotted to projects, and the approval of pending applications and of necessary new work cannot be given until additional funds or contractual authorization are provided.

AMOUNT OF ESTIMATE

Although the authorization of appropriation included in H. R. 6128 asks for \$200,000,000, the appropriation estimate before this committee is for \$100,000,000. This is the amount approved by the Bureau of the Budget and will be sufficient to meet our needs until Congress is again in session and can give further consideration to this subject. As of June 25, 1943, project applications in the amount of \$43,836,000

had been received by our regional offices, reviewed by our field engineering and administrative staff, and recommended for approval. These applications are indicated on the attached table by general classifications.

BACKLOG OF PROJECTS

Because of the shortage of funds during the past few months it has been our practice to approve maintenance and operation projects for 6 months instead of the usual period of 1 year. It is conservatively estimated that \$6 000,000 will be required to continue these projects for an additional 6 months. In addition to the \$44,000,000 of project applications which have been recommended by the regional offices and the \$6,000,000 which will be necessary to continue for an additional 6 months presently approved service projects, there is a backlog of \$144,000,000 construction projects and \$57,000 000 service projects which have received preliminary consideration. It is anticipated that approximately \$50,000,000 of these projects will have advanced to the stage where approval may be given within the next 3 months. It is, therefore, our best estimate that \$100,000,000 or authority to incur contractual obligations will be required to meet the backlog of projects and approve urgent projects between now and October 1, 1943, at which time we propose to submit to the Congress request for additional funds that may be needed at that time.

ADMINISTRATIVE EXPENSES

Authority has also been requested to continue the existing provisions authorizing 4½ percent for administrative expense. Sponsors' contributions of 25 percent result in the actual administrative expense being approximately 31½ percent of the total cost of the program. It is also our purpose to absorb within this amount the additional funds required to meet the provisions of the overtime pay bill and not to request deficiency appropriations for this purpose.

This bill has passed the House.

Senator McKELLAR. That is the National Housing Agency?

General FLEMING. No, sir; Federal Works.

Senator TYDINGS. You have a hundred million; you want a hundred million more, making two hundred million altogether?

Senator McKELLAR. No. He just wants a hundred million.

General FLEMING. The authorization is for \$200,000,000, but we are asking now for an appropriation of \$100,000,000.

Senator TYDINGS. I see. You only want \$100,000,000 in this bill?

General FLEMING. Yes, sir.

Senator McKELLAR. What is it to be used for, General?

General FLEMING. It is to be used for facilities in congested areas and in connection with housing. Housing has had appropriated to it about \$200,000,000 and we have had appropriated to us only \$300,000,000 for the facilities in connection with housing. They are before you now for an additional appropriation of \$300,000,000, and we want to keep step with their program.

TYPES OF FACILITIES TO BE PROVIDED

Senator TYDINGS. That is for sewers, water, hospitals, and so forth?

General FLEMING. Sewers, water, hospitals, schools.

Senator TYDINGS. Anything that a housing development has to have? General FLEMING. They do the on-site facilities and we do the off-site facilities.

Senator HOLMAN. Who takes care of the streets and sidewalks?

General FLEMING. The streets and sidewalks are taken care of by the housing themselves, but we build the schools for them, the hospitals, the off-site water supply which is necessary, the sewage disposal that is carried away from the site.

Senator McKELLAR. Have you got a break-down, General, of what you want to do with this hundred million dollars?

General FLEMING. I have, generally, yes, sir, Senator. I would like to explain.

Senator McKELLAR. Well, you just go ahead and make your statement.

CURRENT APPROPRIATIONS EXHAUSTED

General FLEMING. Our \$300,000,000 that we had appropriated to us is gone. There is hardly anything left of it.

Senator McKELLAR. About how much have you got?

General FLEMING. Well, today the Budget reported that there was \$53,000 left.

Senator McKELLAR. All right. Go ahead.

APPROVED PROJECTS PENDING

General FLEMING. We have pending in our offices, approved out in the regions, construction projects amounting to \$44,000,000.

Senator McKELLAR. Already approved, but you have no money to carry them out?

General FLEMING. None to carry out.

Senator McKELLAR. Forty-four million?

Project applications recommended for approval by regional directors, as of June 25, 1943

	Number	Total cost	Federal funds
Applications for work projects:			
Educational facilities.....	54	\$5,800,000	\$5,426,000
Hospitals and institutions.....	67	10,169,000	9,350,000
Recreation.....	34	998,000	976,000
Fire and police.....	7	619,000	428,000
Water facilities.....	34	6,341,000	5,255,000
Sewer facilities.....	60	8,071,000	6,784,000
Electric power.....	2	67,000	48,000
Streets and highways.....	15	1,362,000	1,178,000
Miscellaneous.....	9	2,286,000	2,238,000
Total.....	282	35,713,000	31,683,000
Applications for service projects:			
Schools and war schools.....	285	10,319,000	5,886,000
Hospitals and venereal-disease control.....	38	4,615,000	3,908,000
Recreation.....	66	1,700,000	1,059,000
Fire and police.....	30	603,000	600,000
Sanitation.....	1	42,000	18,000
Utility and services.....	2	321,000	321,000
Miscellaneous.....	7	358,000	358,000
Total.....	429	18,000,000	12,150,000
Grand total.....	711	53,713,000	43,833,000

AMOUNT REQUESTED FOR MAINTENANCE AND OPERATIONS PROJECTS

General FLEMING. Yes, sir. In our maintenance and operations projects where we have allotted money for that purpose, because of shortage of funds, we only allocated for 6 months. The ones that are going now, we need an additional \$6,000,000 to carry them for another 6 months.

BACKLOG OF APPLICATIONS FOR CONSTRUCTION PROJECTS

Then we have pending a backlog of applications for construction projects which have not yet reached the stage of approval in the field of \$144,000,000.

RECAPITULATION

Projects of merit which have received preliminary consideration in the field offices, July 1, 1943, to June 30, 1944

Schools-----	\$22,766,000	Streets and highways-----	\$9,312,000
Hospitals-----	36,190,000	Miscellaneous-----	5,153,000
Recreation-----	7,947,000		
Water-----	28,436,000	Total-----	144,564,000
Sewers-----	34,760,000		

Anticipated projects, July 1, 1943, to June 30, 1944

REGION I

Schools-----	\$2,232,000	Streets and highways-----	\$1,250,000
Hospitals-----	2,227,000	Miscellaneous-----	235,000
Recreation-----	216,000		
Water-----	2,600,000	Total-----	10,688,000
Sewers-----	1,928,000		

REGION II

Schools-----	\$3,250,000	Streets and highways-----	\$3,121,000
Hospitals-----	4,901,000	Miscellaneous-----	843,000
Recreation-----	1,911,000		
Water-----	7,940,000	Total-----	29,962,000
Sewers-----	7,996,000		

REGION III

Schools-----	\$6,633,000	Streets and highways-----	\$1,060,000
Hospitals-----	7,814,000	Miscellaneous-----	1,388,000
Recreation-----	1,340,000		
Water-----	5,909,000	Total-----	33,576,000
Sewers-----	9,426,000		

REGION IV

Schools-----	\$2,745,000	Streets and highways-----	\$1,225,000
Hospitals-----	5,642,000	Miscellaneous-----	1,300,000
Recreation-----	1,500,000		
Water-----	2,008,000	Total-----	17,920,000
Sewers-----	3,500,000		

REGION V

Schools-----	\$2,125,000	Streets and highways-----	\$550,000
Hospitals-----	1,845,000	Miscellaneous-----	112,000
Recreation-----	595,000		
Water-----	1,944,000	Total-----	9,861,000
Sewers-----	2,690,000		

Anticipated projects, July 1, 1943, to June 30, 1944—Continued

REGION VI

Schools-----	\$1, 875, 000	Streets and highways-----	\$500, 000
Hospitals-----	2, 500, 000	Miscellaneous-----	150, 000
Recreation-----	75, 000		
Water-----	1, 680, 000	Total-----	8, 355, 000
Sewers-----	1, 575, 000		

REGION VII

Schools-----	\$3, 900, 000	Streets and highways-----	\$1, 606, 000
Hospitals-----	11, 261, 000	Miscellaneous-----	1, 125, 000
Recreation-----	2, 310, 000		
Water-----	6, 355, 000	Total-----	34, 202, 000
Sewers-----	7, 645, 000		

Senator TYDINGS. That is \$200,000,000 altogether?

APPLICATIONS FOR SERVICE PROJECTS PENDING

General FLEMING. Yes, sir; and we have applications for service projects which are still pending and are in the mill of \$57,000,000.

Revised estimate of amounts required for war public service projects, based upon estimates of war public services regional supervisors as of June 29, 1943

Grand total-----	\$75, 118, 869
Region I-----	10, 073, 994
Region II-----	8, 101, 000
Region III-----	11, 177, 145
Region IV-----	10, 999, 930
Region V-----	8, 795, 000
Region VI-----	3, 997, 000
Region VII-----	21, 974, 800

Of the above 75,000,000 projects, totaling 57,000,000 have had preliminary review and appear to have merit as war connected.

Estimated amounts required for war public service projects by types of projects and regions

	Schools		Child care		Medial		Police and fire		Recreation		Sanitation		Other	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Grand total.....	655	\$16,569,903	854	\$38,136,351	119	\$10,215,790	44	\$989,070	255	\$7,429,803	85	\$788,454	40	\$989,498
Region I.....	27	566,343	143	6,043,651	9	1,725,000	28	530,000	54	983,000	30	136,000	9	90,000
Region II.....	19	1,916,000	36	4,477,000	21	1,008,000	4	23,000	32	511,000	1	5,000	6	71,000
Region III.....	83	2,122,473	111	5,478,103	21	2,115,831	2	27,748	87	1,433,440	5	67,030	2	97,620
Region IV.....	93	2,386,000	174	6,254,121	31	1,535,879	7	102,380	21	826,000	23	463,500	7	81,500
Region V.....	106	2,502,300	101	3,501,200	17	1,460,500	3	105,942	21	826,000	17	90,024	7	321,378
Region VI.....	65	903,787	108	2,348,876	12	60,630	3	200,000	35	138,363	7	86,000	9	328,000
Region VII.....	262	6,173,000	181	40,033,400	18	2,200,400				2,954,000				

Estimated amounts required for war public services projects by types of projects and States

REGION I

	Schools		Child care		Medial		Police and fire		Recreation		Sanitation		Other	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total 1.....	27	\$566,343	143	\$6,043,651	9	\$1,725,000	28	\$530,000	61	\$983,000	22	\$136,000	9	\$90,000
Maine.....	2	18,853	2	73,100	2	200,000	5	100,000	7	100,000	3	30,000		
New Hampshire.....	1	22,467	3	103,444					5	90,000	1	5,000	3	30,000
Vermont.....			1	23,110					5	89,000	1	5,000		
Massachusetts.....	4	60,308	47	1,930,115	1	250,000	4	60,000	8	128,000	4	20,000		
Rhode Island.....	4	93,568	16	688,000	1	125,000	1	10,000	5	80,000	1	5,000		
New York.....	4	89,343	27	1,240,000	2	750,000	10	200,000	16	256,000	5	25,000	5	50,000
Pennsylvania.....	4	83,687	4	162,624	1	150,000	2	40,000	5	80,000	2	10,000		
New Jersey.....	2	77,533	10	426,404	1	150,000	3	60,000	5	80,000	2	10,000	1	10,000
Connecticut.....	6	120,584	33	1,407,860	1	100,000	3	60,000	5	80,000	3	15,000		

1 No allowance has been made for the expenditure of any funds in New York City since under present eligibility rules it does not qualify.

REGION II

Total	19	\$1,916,000	36	\$4,477,000	21	\$1,098,000	4	\$23,000	32	\$511,000	1	\$5,000	6	\$71,000
Delaware	1	85,000	4	40,000					2	9,000				
Maryland	1	178,000	9	94,000	1	18,000			2	25,000				
West Virginia	3	136,000	8	119,000					5	71,000			2	45,000
Virginia	3	284,000	6	58,000	1	80,000			7	140,000			1	5,000
North Carolina	5	233,000	9	166,000			4	23,000	16	266,000	1	5,000	3	21,000
District of Columbia														
Unallocated		1,000,000		4,000,000	19	1,000,000								

REGION III

Total	83	\$2,122,473	111	\$5,478,103	21	\$2,115,381	2	\$27,748	87	\$1,433,440				
Tennessee	19	367,943	17	1,077,376	1	300,000	1	3,990	4	111,574				
South Carolina	11	222,492	18	1,094,217	1	300,000			14	319,022				
Georgia	13	442,520	27	1,274,905	2	247,500			12	244,467				
Florida	5	348,800	13	540,000	8	521,617			25	312,184				
Alabama	17	479,430	22	1,038,000	2	268,950			19	286,398				
Mississippi	15	261,588	14	433,605	2	314,000	1	23,758	13	159,195				
Virgin Islands					2	50,000			2					
Puerto Rico					3	113,314								
Bermuda														

REGION IV

Total	93	\$2,386,000	174	\$6,254,121	31	\$1,535,879	7	\$102,380	21	\$556,000	5	\$67,930	5	\$97,620
Wisconsin	17	341,953	20	315,110	1	35,000	3	53,919	1	18,000			3	79,620
Illinois	23	357,192	45	1,377,149	6	719,695			6	256,047				
Michigan	30	1,157,582	30	1,046,021	4	47,640	2	20,800	2	91,040				
Ohio	12	265,690	40	2,033,898										
Indiana	17	203,959	19	463,452	4	348,060			1	56,000				
Kentucky	4	59,525	20	268,311	10	194,872	2	27,661	11	136,913	5	67,930	2	18,000
Unallocated					6	190,612								

Estimated amounts required for war public services projects by types of projects and States—Continued

REGION V

	Schools		Child care		Medical		Police and fire		Recreation		Sanitation		Other	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total.....	106	\$2,502,300	101	\$3,501,200	17	\$1,450,500			21	\$856,000	25	\$403,500	7	\$81,500
Texas.....	52	1,330,421	66	2,297,200	11	990,478			14	622,975	19	283,500	3	35,171
Oklahoma.....	21	582,565	19	513,000	1	22,922			1	31,280	5	110,000	1	9,615
Arkansas.....	21	298,165	7	244,000					3	154,650			3	36,714
Louisiana.....	6	175,752	9	447,000	5	437,100			1	6,500	1	10,000		
New Mexico.....	6	115,387							2	40,895				

REGION VI

Total.....	65	\$903,787	108	\$2,348,876	2	\$90,680	3	\$105,942	5	\$135,363	17	\$90,024	7	\$321,378
North Dakota.....	1	5,430	7	22,327									1	9,000
South Dakota.....	4	22,106	11	92,745					2	46,627	1	3,200	1	8,000
Minnesota.....	9	73,130	12	446,546	1	47,000								
Nebraska.....	13	202,986	18	789,552					1	23,650	2	6,000	1	42,000
Kansas.....	26	479,808	15	193,345			1	3,800	2	66,086	1	1,250	1	32,804
Missouri.....	11	119,327	28	479,366	1	43,630	2	102,142			6	49,000	2	211,574
Iowa.....		1,000	17	324,995							2	9,000	1	18,000
Unallocated.....	1										5	21,574		

REGION VII

Total.....	262	\$6,173,000	181	\$19,033,400	18	\$2,200,400		\$200,000	35	\$2,954,000	7	\$86,000	9	\$382,000
Montana.....														
Colorado.....	2	50,000	4	150,000					1	27,000				
Utah.....														
Arizona.....	10	453,000	32	1,250,000	1	75,000			6	202,000	2	13,000	1	36,000
Nevada.....	10	228,000	16	623,000	1	71,000			3	100,000			1	36,000
Washington.....	120	2,856,000	9	341,700	3	226,000			5	217,000	1	10,000	1	40,000
Idaho.....	3	60,000	2	76,000					1	23,000	2	24,000	2	72,000
Oreagon.....	40	914,000	6	216,300	2	145,000			2	65,000				
Washington.....														
California.....	66	1,575,000	112	4,375,400	8	470,400			17	800,000	2	39,000	4	144,000
Alaska.....	2	50,000				76,000								
Hawaii.....					1	72,000								
Caral Zone.....														
Unallocated.....				3,000,000		1,000,000		200,000		1,500,000				

Senator McKELLAR. Do you not think you could get along at this time with a little less than a hundred million dollars?

General FLEMING. I do not see how.

(Discussion off the record.)

NEED FOR FULL AMOUNT OF AUTHORIZATION

General FLEMING. Senator, we really ought to have an appropriation of \$200,000,000, but I am only asking for a hundred million dollars, which the Budget recommended, and that will carry us until Congress comes into session again. With the things that we have pending before us now, that ought to get under way.

Senator TYDINGS. Unless you get this money for these facilities, the other money already appropriated, or which may be appropriated, will be valueless because there will be no water, sewer, et cetera?

General FLEMING. If the houses do not have water supply and sewage——

Senator TYDINGS (interposing). Your proposition, in part, at least, has got to stand or fall on what Congress does in the housing field?

General FLEMING. Yes.

Senator McKELLAR. They have not yet passed that act.

General FLEMING. This is not the new housing.

Senator TYDINGS. I understand that.

General FLEMING. These are things that are already under way.

Senator TYDINGS. You have said that you have got 44 and 6, and so on.

Senator McKELLAR. As I understand it, it is all dependent on whether this act of Congress passed, is it not?

General FLEMING. That is correct, sir.

Senator McKELLAR. What reason have you to think that the act of Congress will pass?

General FLEMING. I think that it is reported out of the committee unanimously.

Senator McKELLAR. That is a long way from being passed, sir.

General FLEMING. That is correct, sir.

Senator HAYDEN. Well, it has passed the House.

General FLEMING. It has passed the House.

Senator HAYDEN. And reported unanimously by the Senate committee?

General FLEMING. Yes.

Senator McKELLAR. It is on the calendar?

General FLEMING. On the calendar; yes.

Senator McKELLAR. Go ahead.

General FLEMING. Only about 40 percent of our money is spent in connection with housing. We have to go into communities which have grown, and where there has been a great influx of population but not any new houses, I mean not any Federal Public Housing. We have many projects which serve purely Army, Navy, or industrial needs.

Senator McKELLAR. You have legal authority now, you have congressional authority now, to do that work then, 60 percent of it?

General FLEMING. Yes, sir; we have.

LACK OF SEWAGE DISPOSAL IN CERTAIN AREAS

Senator HOLMAN. Before the general gets into the text, or at some place that is appropriate to your own thought—discuss it later if you wish—I am, among other items, extremely interested in sewage disposal and hospitalization and public school facilities for these mushroom-growth communities in our western area and I presume other places throughout the country. Our beautiful streams of pure mountain water are being contaminated frightfully by the dumpage of untreated sewage into the streams. I could go on at length on that subject. My own notion is that public authorities, whether National or State or municipal, must take into consideration the proper disposition of sewage, and industrial ways just as they take into consideration creating those items that become deterrent to proper living in the community. I hope your organization will take into consideration the need for a proper disposition of sewage ways in these communities.

General FLEMING. Well, we do the best we can, Senator, but a sewage-disposal plant in itself requires a great deal of critical material which is hard to get at this time, so we just use the simplest means of disposing of sewage as we can at the present time.

Senator TYDINGS. That is to completely decontaminate it and turn it loose?

General FLEMING. We do the best we can as far as we can, but we cannot do the finished job of a finished disposal plant in this wartime due to the materials. We just cannot get the materials from the War Production Board.

Senator HOLMAN. Without engaging too long in the controversy, I have a letter on my desk this morning that the demand for steel, for instance, like reinforcing steel, is eased considerably.

General FLEMING. That is correct, sir.

Senator HOLMAN. And in irrigation projects there will from now on be no shortage of material.

Senator MCKELLAR. I suggest you send that letter to the General.

Senator HOLMAN. I would be happy to do that.

Senator MCKELLAR. I know he gives very careful consideration to things submitted to him, because he always does it.

AMOUNT SPENT TO DATE FOR SEWAGE AND SANITATION

General FLEMING. We have already spent out of our present fund of \$300,000,000—we have spent about forty million for sewage and sanitation, so we are going along as best we can with that program.

Senator HOLMAN. I am fearful that an epidemic may break out. People in our community in the Pacific Northwest area are used to stopping by the roadside and getting a drink of water. An ounce of prevention is worth a pound of cure.

General FLEMING. Yes; I agree with you.

Senator TYDINGS. General, you have put in our hands a break-down of the number of projects, of the allocations, of the amount of money that was estimated in cost and the funds available after May 31, 1943.

You have also put in the record a table showing allotments.

Senator MCKELLAR. He has not put these in the record. I was going to ask that they be put in the record at this point.

Senator TYDINGS. I was just going to suggest that this whole thing be put in the record.

(The matter referred to is as follows:)

MEMORANDUM ON H. R. 2936

Title I of the Lanham Act, as amended to date, provides for the construction of defense housing, and authorizes an appropriation of \$1,200,000,000 for that purpose. Title II authorizes the appropriation of \$300,000,000 for the provision of community facilities in areas where an acute shortage of such facilities exists because of the war program. H. R. 2936 increases the authorization in title II for community facilities to \$500,000,000.

Community facilities provided for to May 31, 1943.—To May 31, 1943, allotments had been approved by the President as follows for the acquisition and construction of community facilities:

Type of project	Number of projects	Estimated total cost	Federal funds
Schools.....	679	\$60,183,412	\$52,974,800
Medical.....	451	65,716,709	56,903,423
Waterworks.....	305	81,818,185	68,032,739
Sewer, sanitation.....	278	46,996,948	39,795,826
Recreation.....	532	28,714,640	28,618,279
Power.....	11	20,789,410	12,293,527
Fire, police.....	102	3,309,174	2,715,957
Streets, highways.....	35	3,637,162	2,782,939
Garbage disposal and other miscellaneous projects.....	27	6,531,383	3,929,182
Total.....	2,420	371,697,023	268,046,672

To May 31, 1943, allotments had been approved by the President as follows for the maintenance and operation of community facilities (War Public Services):

Type of project	Number of projects	Estimated total cost	Federal funds
Child care.....	332	\$15,920,282	\$8,752,861
Schools.....	678	64,514,656	11,506,269
Medical.....	33	4,123,639	3,785,292
Sewer, sanitation.....	12	167,190	167,190
Recreation.....	93	1,051,145	811,689
Fire, police.....	14	361,618	345,105
Miscellaneous.....	14	161,202	119,745
Total.....	1,176	86,299,732	25,488,151

SUMMARY

Acquisition and construction.....	2,420	\$317,697,023	\$268,046,672
War public services.....	1,176	86,299,732	25,488,151
Total.....	3,596	403,996,755	293,534,823

Maintenance and operation of school facilities.—Six hundred seventy-eight allotments were approved to May 31, 1943, for the maintenance and operation of school facilities, involving \$11,506,269 of Federal funds. Allotments for the maintenance and operation of schools are made on the basis of deficit-financing, the contribution of the Government being equal to the difference between the total operation and maintenance expenditures of the school district and the total income available to the school district for that purpose.

Maintenance and operation of child-care facilities.—Three hundred thirty-two allotments were approved to May 31, 1943, for the maintenance and operation of child-care facilities, providing \$8,752,861 of Federal funds for the operation of approximately 3,100 child-care centers taking care of 175,000 children. Contributions for the maintenance and operation of these facilities, which serve both young children and teen-age children, have been made subject to the require-

ment that a substantial portion of the operating cost of the facilities be met by fees charged to the recipients of the service or from local contributions. The operating standards for child care facilities are those set by the local operating agencies.

Authority of the Federal Work Administrator under title II.—Under title II the Federal Works Administrator is authorized—

- (1) to construct community facilities as Federal projects;
- (2) to make loans or grants, or both, for the non-Federal construction of community facilities;
- (3) to make contributions for the maintenance and operation of community facilities.

Loans, grants, and contributions may be made to public and private agencies, private agencies being defined as "any private agency no part of the net earnings of which inures to the benefit of any private shareholder or individual."

Termination of authority to proceed under title II.—Except with respect to contracts on projects previously entered into or undertaken and court proceedings then pending, the authority of the Federal Works Administrator to proceed to construct community facilities or to make loans or grants or contributions under title II will terminate when the President shall have declared that the emergency declared by him on September 8, 1939, has ceased to exist.

Federal supervision or control over schools forbidden.—Title II contains the following provision with reference to schools (sec. 203) :

"(b) No department or agency of the United States shall exercise any supervision or control over any school with respect to which any funds have been or may be expended pursuant to this title, nor shall any term or condition of any agreement under this title relating to, or any lease, grant, loan, or contribution made under this title to or on behalf of, any such school, prescribe or affect its administration, personnel, curriculum, instruction, methods of instruction, or materials for instruction."

History of the Lanham Act.—\$150,000,000 authorized for defense housing. October 14, 1940 (Public, No. 849, 76th Cong.).

Authorization for defense housing increased to \$300,000,000. April 29, 1941 (Public Law 42, 77th Cong.).

Title II added, authorizing \$150,000,000 for community facilities. June 28, 1941 (Public Law 137, 77th Cong.).

Authorization for defense housing increased to \$600,000,000, and authorization for community facilities under title II increased to \$300,000,000. January 21, 1942 (Public Law 409, 77th Cong.).

Authorization for defense housing increased to \$1,200,000,000. October 1, 1942 (Public Law 723, 77th Cong.).

By Public Law 522, Seventy-seventh Congress, approved April 10, 1942, title IV was added, authorizing \$30,000,000 for defense housing and \$20,000,000 for community facilities in and near the District of Columbia.

Pending bills to amend the Lanham Act.—H. R. 2936, to increase the authorization under title II for community facilities to \$500,000,000, has been passed by the House of Representatives following a unanimous report of the House Committee on Public Buildings and Grounds.

H. R. 2975, to increase the authorization for defense housing to \$1,500,000,000.

S. 1109, to increase the authorization for defense housing to \$1,600,000,000.

Dated June 28, 1943.

PHILIP B. FLEMING,
Major General, United States Army,
Federal Works Administrator.

Mr. JOHNSTONE. Let me say it is printed in a report of the Public Buildings and Grounds in the authorization bill, but it might well be printed here, too, Senator.

Senator TYDINGS. I have all I need, Senator.

General FLEMING. No; I think that is all.

AMOUNT SPENT FOR RECREATION FACILITIES

Senator McKELLAR. I see you have spent the very large sum of \$28,000,000 for recreation. While we are so actively engaged in war, it seems to me we might cut down a little on recreation.

General FLEMING. That is practically entirely recreation for soldiers. In these small towns near an Army camp where the soldier comes in for recreation, there is nothing for him, so we build a recreation hall and equip it.

Senator TYDINGS. Sometimes a rest room.

Senator McKELLAR. It is confined entirely to military locations?

General FLEMING. We have only one in operation at the present that is not military, and that is in Kingsport, Tenn.

Senator McKELLAR. It does not make any difference where it is. I would like to do anything in the world for Kingsport.

General FLEMING. There is a mushroom town.

Senator McKELLAR. They have got a tremendous lot of war agencies there?

Senator TYDINGS. Practically all of them.

Senator McKELLAR. No; they have not got all of them, either. But at any rate I do not think we ought to enlarge on that. I did not know there was one in Kingsport. If I had, I would have asked you the same question.

General FLEMING. People there had to go, I think, 30 miles to go to a movie.

Senator TYDINGS. With that exception, all your recreation appropriation is for military propositions?

General FLEMING. Yes, sir; that is correct.

Senator McKELLAR. If there is nothing else, we are very much obliged to you, General.

Senator HOLMAN. Is he through?

Senator McKELLAR. Yes. Do you want to ask him something?

Senator HOLMAN. May I comment a little further while the General is here?

Senator McKELLAR. Surely.

Senator HOLMAN. I may not have another opportunity to exploit my views on some matters.

Senator McKELLAR. Go right ahead.

LACK OF ADEQUATE HOSPITAL FACILITIES

Senator HOLMAN. In the matter of hospitalization, we know, although the facts are suppressed from the public, that the casualties in the war are now coming home for hospitalization, and I have an impression that there is going to develop a lack of adequate facilities, and it may already be present. I presume your organization is taking cognizance of the developing situation which I think will be acute, and I think it would be a dreadful thing for the wounded in our battles to come home and not be properly cared for.

AMOUNT SPENT FOR HOSPITALS

General FLEMING. We have spent already for hospitals, under our \$300,000,000, we have spent nearly \$57,000,000 providing additional beds in these areas all over the country, and we realize that it is a pressing thing and we are meeting that situation every place we can, and some of this money we are asking for will go directly into materials of all kinds?

Senator HOLMAN. Is your difficulty the shortage of strategic material of all kinds?

General FLEMING. No; we have gotten down to building a very simple kind of hospital, usually just a one-story structure. We cannot get elevators so it is all one story.

Senator HOLMAN. But they are adequate, and they serve?

General FLEMING. They are adequate. We have had a few that we have been able to build out of brick and concrete, and maybe now, as the situation eases up on reinforcing steel, we can go into a more fire-proof type of construction, but we are building simply fire-resistant buildings and not fireproof buildings.

BETTER PRIORITIES ON REINFORCING STEEL OBTAINABLE

Senator McKELLAR. To what extent has the question of reinforcing steel been eased up?

General FLEMING. Well, we can get far better priorities on it now.

Senator HAYDEN. This was my impression about reinforcing steel, and maybe General Fleming can confirm it.

First, as to all the reclaimed railroad and streetcar rails, they heat them up into reinforcing steel, so that is one considerable source. The other story that I have heard—and I do not know quite enough about the technology of it to say—but when a pot of molten steel is ready to be poured that that which is on top of the pot would not be suitable for high grade, it could not go into guns, I think. What is on the top is poured off of that and is suitable for reinforcing steel.

In a letter from W. P. B. they said the situation in reinforcing steel had eased and they anticipated no shortage of it for the duration.

General FLEMING. We find that we can get it now, and could not get it before.

Senator HOLMAN. Are you referring to the same letter that I spoke of on the subject?

Senator HAYDEN. Yes.

Senator HOLMAN. I wonder if it would not be a good thing to put that letter in the record.

Senator HAYDEN. Yes; if you can get it.

(The letter referred to is as follows:)

NATIONAL RECLAMATION ASSOCIATION,
Washington, D. C., June 29, 1943.

TO FRIENDS OF THE WEST'S IRRIGATION FOOD PROGRAM:

GENTLEMEN: Here is the end of the steel-shortage argument which the War Production Board directed against the western irrigation food projects last year.

Read this exchange of letters between Senator Hayden and Mr. Batcheller of the Steel Division of War Production Board.

Sincerely yours,

F. O. HAGIE,
Secretary-Manager.

UNITED STATES SENATE,
June 8, 1943.

MR. HILAND G. BATCHELLER,
Steel Division, War Production Board,
Washington, D. C.

MY DEAR MR. BATCHELLER: The Interior Subcommittee on Appropriations, of which I am the chairman, is now holding hearings on the Interior Department appropriation bill for fiscal 1944.

Important among the items before the committee is the completion of a score or more of irrigation projects, which will probably require 40 or 50 tons of lightweight reinforcing steel, running mostly from three-eighths to seven-eighths of an inch, with perhaps a little going up to 1½ inches in diameter. In order that my committee may have the facts concerning the availability of such reinforcing steel before the hearings are closed, would you please advise me promptly as to what the situation may now be concerning the availability of such reinforcing steel. It is my understanding that rail steel as well as top cuts or discards will serve the purpose equally as well as reinforcing rods made from the best ingot steel. All steel referred to above would be used in the 17 Western States to expand the food production program through the completion of irrigation projects.

Your immediate attention will be appreciated.

Yours very sincerely,

CARL HAYDEN,
United States Senator.

WAR PRODUCTION BOARD,
Washington, D. C., June 8, 1943.

The Honorable CARL HAYDEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR HAYDEN: This will refer to your letter of June 8 regarding the availability of concrete reinforcing steel.

The grade of steel from which reinforcing bars are rolled is not considered critical at this time, and with the essentiality established, the tonnage you require should be readily available from (1) current stocks, (2) producers of rail-steel bars, or (3) producers of billet steel using top cuts, discard, etc.

The facilities of producers and fabricators are not now being fully employed, due primarily to the gradual completion of the war construction program. We can foresee no appreciable change in this situation for the duration.

I trust the above answers your question and thank you for your letter.

Yours very truly,

H. G. BATCHELLER,
Director, Steel Division.

NATIONAL HOUSING AGENCY

WAR HOUSING

STATEMENTS OF JOHN B. BLANDFORD, JR., ADMINISTRATOR, NATIONAL HOUSING AGENCY, AND HERBERT EMMERICH, COM- MISSIONER OF FEDERAL PUBLIC HOUSING AUTHORITY

AMOUNT OF BUDGET ESTIMATE

Senator HAYDEN. We have a budget estimate for \$300,000,000, under the National Housing Agency.

Senator NYE. Where does that come in our bill?

Senator McKELLAR. It will be on page 7.

Senator HAYDEN. It will have to be a new item inserted in the bill. And the text of the proposal submitted by the Budget is (reading):

TEXT OF AMENDMENT

For an additional amount to carry out the purposes of title I of the Act of October 14, 1940 (42 U. S. C., ch. 9), as amended, and subject to the applicable provisions of the joint resolution approved October 14, 1940 (54 Stat. 1115), \$300,000,000, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941: *Provided*, That the amount appropriated in this paragraph shall not be available for obligation until the date of enactment of legislation authorizing the appropriation of such additional funds.

The estimate states in part [reading]:

Under the provisions of Public Resolution No. 106 of October 14, 1940, the First Deficiency Appropriation Act, 1941, Public Law 371, approved December 23, 1941, and Public Law 723, approved October 1, 1942, \$1,200,000,000 has been appropriated for the purpose of meeting acute housing shortages for industrial workers and for families and civilian personnel of the Army and Navy and civilian employees of the Maritime Commission. All of these appropriations have been allocated.

In your message to Congress of May 13, 1943, attention was called to the fact that housing accommodations would have to be provided for an estimated 1,100,000 war workers who are expected to migrate to centers of war activity during the fiscal year 1944, and that while existing structures and privately financed construction would take care of the vast majority of such workers, some additional publicly financed war housing-construction would be essential. To meet the latter situation you suggested the enactment of legislation providing an increase of \$400,000,000 in the authorization contained in the Lanham Act as amended. Such legislation is now under consideration in both Houses of Congress.

STATUS OF AUTHORIZATION

Has that legislation passed the House?

Mr. BLANDFORD. It has passed both the House and Senate and presumably is before the President for signature now.

Senator HAYDEN. Then this proviso is not necessary?

Mr. BLANDFORD. No.

Senator HAYDEN. The estimate also states [reading]:

In view of the urgency of the need for additional publicly financed war housing, and the fact that all funds heretofore appropriated for this purpose are almost entirely committed, I am submitting the foregoing supplemental estimate of appropriation in advance of the enactment of authorizing legislation as a means of expediting its consideration by Congress following the enactment of such legislation. While it is presently estimated that \$400,000,000 will be required to meet the publicly financed war housing construction for war workers during the fiscal year 1944, the \$300,000,000 included in this estimate will permit housing to be programmed during the next few months in the most critical areas, and a re-examination of the entire war housing situation will be made in the fall in order that consideration may be given to such additional funds as may be required for the remainder of the fiscal year 1944.

Now, do you have some general statement you would like to make?

Mr. BLANDFORD. Mr. Chairman, we have certain material which is in the hands of the clerk and which the committee may wish to refer to.

SUMMARY OF JUSTIFICATION

In that material is a more detailed justification which may be put in the record if it is the pleasure of the committee to do so. It is under tab C. Would you like to have that in the record, Mr. Chairman?

Senator HAYDEN. Inasmuch as this matter has not been presented to the House of Representatives, I think it would be desirable to make a more complete record than we ordinarily do.

Mr. BLANDFORD. Yes, sir. I was suggesting that perhaps you could put this in the record and then I might give you a brief summary of it.

Senator HAYDEN. We will do that, include it at this point.
(The document referred to is as follows:)

SUMMARY JUSTIFICATION OF REQUEST

Since the reorganization of the housing agencies of the Government on February 24, 1942, additional progress has been made toward making the National

Housing Agency predominantly a war housing agency. Other housing activities, inherited from predecessor agencies, have been reduced for the emergency period to a subordinate role and are limited mainly to the necessary carry-over of supervisory and liquidating functions. A war housing chart for the National Housing Agency, including its constituent units, are shown under tab A.

The integration and simplification of war housing policy have continued to progress, primarily responsive to the mandates of the Congress, secondarily responsive to the joint decisions of the War Production Board, the War Manpower Commission, and the National Housing Agency, and adapted constantly to the more adequate service of war needs. A recent summary of war housing policy is shown under tab B.

The central features of this policy are that war housing shall be provided only for the indispensable minimum of in-migrant war workers; that maximum use shall be made of existing facilities before any construction is resorted to; that consideration shall be given to the feasibility of converting existing structures before new construction is resorted to; that full opportunities shall be afforded private enterprise before public construction is resorted to; and that, in order to save money and critical materials, public construction shall emphasize dormitories and family units of temporary type.

The materials under the next few succeeding tabs set the whole present war housing program in the context of these policies and measure it against their fulfillment.

The size of the present war housing program—private and public—is shown by the chart and table under tab D-1. The total program comes to 3,059,480 units, of which 1,525,000 units involve the estimated use of existing structures, 204,750 units represent conversions, and 1,329,730 represent new construction. This present war housing program embraces housing already allotted for war workers by the National Housing Agency and its predecessors from the inception of the war housing program in July 1940 through May 31, 1943.

The construction status of the present program is shown by the chart and table under tab D-2. Of the 3,059,480 units involved in the total program, 2,517,425 units have already been made available for war workers, including estimates of the use of existing structures, while only 542,055 units remain to be made available. Aside from the use of existing structures, 1,032,425 units of new construction and conversions have been completed, while 502,055 units are yet to be completed.

The completion schedule for the present public war housing program is shown by the chart and table under tab D-3. It indicates that the uncompleted program will be finished by the end of the calendar year 1943.

The characteristics of the whole present program are shown by the table under tab D-4, summarized as follows:

(1) As to type of construction, 50 percent of the present program involves the use of existing private structures, 7 percent involves conversions of existing private structures, and 43 percent represents new construction;

(2) As to type of accommodations, 40 percent of the present program consists of single-person units, 59 percent represents family units, and 1 percent represents trailers;

(3) As to type of financing, 77 percent of the present program is provided by private enterprise, made up as follows: 50 percent is represented by the use of existing private structures, 6 percent by private conversions, and 21 percent by private new construction. Twenty-three percent of the present program is publicly financed, made up as follows: 1 percent represents public conversions and 22 percent represents public new construction (including 1 percent for trailers).

(4) Of the 59 percent of the present program represented by family units, 15 percent is made up by the use of existing private structures, 7 percent is made up by conversions, 21 percent is made up by permanent new construction by private enterprise, 10 percent is made up by publicly financed temporary and demountable new construction, and 6 percent is made up by publicly financed permanent new construction.

(5) Of the 40 percent of the present program which is represented by units for single persons, 35 percent is made up by the use of existing private structures, and 5 percent is made up by publicly financed new accommodations.

The foregoing figures indicate that private enterprise has been resorted to, not only for the use of existing structures, but also for provision of the larger part of the permanent family units, while publicly financed war housing has been reserved for the provision of rooms, temporary family units, and that relatively

small portion of permanent family units which serve income groups too low for private enterprise to reach.

The funds for publicly financed war housing, made available to serve only the needs of war workers in-migrating not later than the end of the fiscal year 1943, have practically all been committed. As shown by the table under tab D-5, of \$1,975,210,872 made available to the National Housing Agency for public construction, \$1,914,346,336 have been allotted for housing programmed to date, \$1,272,869,234 have actually been expended, and of the balance unallotted only about \$34,412,038 remain available for further allotments after making allowance for reserves.

To serve the needs of war workers migrating to centers of intense war production activity during the fiscal year 1944, additional war housing, both private and public, is essential. As in the past, the National Housing Agency relies primarily upon the basic estimate of in-migration furnished by the War Manpower Commission. This estimate, for the fiscal year 1944, comes to 1,100,000 indispensable in-migrant war workers.

The chart and table under tab D-6 indicate how it is proposed to house these 1,100,000 war workers in 940,000 dwelling units (with more than 1 war worker in some units). Due to extensive reliance upon existing facilities, private conversions, and private new construction, the portion of the total need to be met by public funds is reduced to a total of 200,000 units, including the conversion of 40,000 family units, the new construction of 70,000 units for single persons and the new construction of 90,000 family units.

The characteristics of the proposed war housing program are shown by the table under tab D-7, summarized as follows:

(1) As to type of construction, 65 percent of the proposed program involves the use of existing private structures, 8 percent involves conversions of existing private structures, and 27 percent represents new construction;

(2) As to type of accommodations, 47 percent of the proposed program consists of single person units, and 53 percent represents family units.

(3) As to type of financing, 79 percent of the proposed program is provided by private enterprise, made up as follows: 65 percent is represented by the use of existing private structures, 4 percent by private conversions, and 10 percent by private new construction. Twenty-one percent of the proposed program is publicly financed, made up as follows: 4 percent represents publicly financed conversions, 8 percent represents public new construction of dormitories, and 9 percent represents public new construction of temporary and demountable family units.

This proposed program, when contrasted with the present program, indicates a relatively greater reliance upon the use of existing private structures, a relatively greater reliance upon the conversion of existing structures, a larger number of rooms in proportion to the number of family units, an assignment of permanent construction to private enterprise, and a progressive trend toward the almost exclusive use of temporary housing in the publicly financed new construction of family units.

A completion schedule for the proposed publicly financed war housing program is shown by the table under tab D-8.

The funds required for the proposed publicly financed war housing program are indicated by the table under tab D-9. The required funds would come to \$436,000,000 based upon the War Manpower estimate of in-migrancy, and would come to more than \$437,000,000, based upon the alternate method of computing need hereinafter to be discussed. The National Housing Agency, rounding off these figures downward toward the end of being extremely conservative, requested an appropriation of \$400,000,000.

The National Housing Agency has recently obtained an increase of \$400,000,000 in the insurance authorization under title VI of the National Housing Act, toward the end of completing that portion of the war housing program for fiscal year 1943 in-migrants who can be served through privately financed construction. The National Housing Agency contemplates requesting another increase of approximately the same size in the authorization of insurance for privately financed war housing, in order to carry out the privately financed portion of the additional war housing program now being proposed.

Due to further improvements in the close working relationship between the War Production Board and the National Housing Agency, and to the more general realization of the importance of war housing to war production, the prospects of obtaining critical materials for necessary war housing are definitely

improved. Due to continuing economies, the record with respect to the publicly financed portion of the war housing program shows that permanent pre-war family dwelling units required 9,712 pounds of critical materials per unit; that permanent war family dwelling units required 5,370 pounds per unit in the fiscal year 1942 and only 2,717 pounds per unit in the fiscal year 1943; that prior to the use of standard plans temporary war family dwelling units required 2,524 pounds per unit, but that at present and for the proposed program will require only 1,989 pounds per unit, and that temporary dormitories require 582 pounds per unit.

While relying basically upon the War Manpower estimate of in-migration, the National Housing Agency, as when it last appeared before the committee, has made an independent estimate of war housing needs, based upon its own locality surveys, reports, and studies. This National Housing Agency appraisal of need by States (and in about 200 war-production areas not in the States estimates) is shown by the table under tab D-10-A (1). This independent estimate, varying somewhat in detail from the one based upon the War Manpower Commission figures, comes to more than \$437,000,000. The \$400,000,000 fund requirements based upon this National Housing Agency estimate, as indicated above, is shown by the table under tab D-9.

In further support of the urgency of the war housing need, the material under tab D-10-A (2) contains 24 sample locality reports, showing the factual foundation of war housing needs in representative war communities, large and small.

BASIS OF ESTIMATE

Mr. BLANDFORD. Well, this authorization and this estimate is based upon migration of 1,100,000 war workers during the fiscal year 1944. That estimate is one made by the War Manpower Commission and represents, on its part, a review of detailed reports from some 17,000 plants in more than 200 cities. These reports show the anticipated increase in employment. The Manpower Commission, after taking the total employment figures—increases in employment—for the war cities, war production centers, then obtained information from its employment offices as to the availability of local labor supply, and the difference between the new needed employment and the available local labor is the figure of required in-migration of war workers. It is this in-migration figure added up, plant by plant, and city by city, that indicates that more than a million workers will have to migrate to these war production centers in order to maintain production schedules.

Senator HAYDEN. That is a million more than have moved prior to July 1, 1943?

Mr. BLANDFORD. Yes, sir.

MOVEMENT OF WORKERS TO OTHER INDUSTRIAL ACTIVITIES

Senator NYE. Well, is it true that the war industries have attracted and called for workers during the past year in instances that are now affording a let-down, and there will be transfer of those workers to other industrial activities?

Mr. BLANDFORD. Yes. That has been taken into consideration by the War Manpower Commission. They have testified at considerable length on this subject before the legislative committees in connection with the authorization. My contribution here is just a summary of it, of course, and not as competent as the detailed testimony they have given.

Their figures, so they tell me, are on the conservative side for two reasons: In estimating the local labor supply, they have assumed a large amount of movement of employees from the so-called less essential operations into the war plants, and they have assumed large availability of women working in the plants locally. Those two things may not happen to the extent that they anticipate.

RISE IN PRODUCTION SCHEDULE CURVES

The reason why the figure is so substantial is not because there is going to be a large amount of new plant construction, but, rather, that plants under construction will come into operation and that plants now operating at certain employment levels are going to increase their employment substantially. In other words, the production schedule curves are on the way up, and I recall, for example, in the construction of what are called air frames, that by the winter the amount to be produced will be double the present production. Now, all of those ascending production curves call for increased employment.

REPLACEMENT OF WORKERS GOING INTO ARMED FORCES

Further than that, in addition to the increase in employment, there is a considerable amount of replacement of workers because in these war centers of production about two and a half million men will be drawn into the armed forces. That, also, contributes to make a large amount of migration necessary.

MANPOWER SITUATION

The Manpower Commission released in the papers this morning a rather comprehensive statement covering a present review of the manpower situation, and I think just one paragraph in that report illustrates the problem, and indicates why large migration is necessary. The paragraph is as follows:

The net changes in over-all manpower requirements that have been presented do not fully indicate the manpower mobilization that will be necessary to meet those requirements. In the first place, the increases in labor requirements are largely concentrated in a few industries that are, in turn, concentrated in local labor markets where manpower shortages already exist.

Senator McKELLAR. Wait one minute there. What does it mean my "manpower mobilization"? They do not have to mobilize them to send them to France.

Mr. BLANDFORD. I think perhaps that word is used carelessly. They mean recruiting labor.

Senator McKELLAR. We certainly ought not to build buildings to house men to hold them until somebody wants them.

Mr. BLANDFORD. No, sir; that means just labor recruiting.

Senator NYE. Mobilizing is becoming an ever easier word to use, I notice, though, in this emergency.

Mr. BLANDFORD. Then, it goes on to say that the decreases in labor requirements in the plants that may lay off men are in industries widely dispersed throughout the country.

HOUSING NEEDS ARISING OUT OF LARGE MIGRATION OF WORKERS

So the workers are not where they are needed, and that adds up to this large migration. We have taken that figure and applied our programing process to it, which assumes maximum use of existing dwellings where there are vacancies, conversion of dwellings wherever possible to produce additional family units, and privately financed construction to the maximum degree, and finally we have come out with this estimate. This estimate is a bit on the tight side, too, because we are still assuming that workers will travel 25 to 30 miles, and continue to do so despite the difficulty of getting tires and gas and, more recently, of getting their cars repaired and maintained.

ESTIMATE DOES NOT INCLUDE PROVISION FOR FAMILIES OF
ENLISTED PERSONNEL

We are not programing nor including in our estimates any provision for the families of enlisted personnel, which is a very considerable problem and represents a migration that is taking place but which the Army and Navy have asked us not to provide for, since they are trying to discourage it.

In addition to arriving at the need in that fashion, we have asked our regional representatives independently, on the basis of all their contacts with these communities during the war period, to make an estimate of the need, and that estimate very closely—surprisingly closely—checked with the estimate arrived at in the other fashion.

ACCOMMODATIONS REQUIRED BY ESTIMATED NUMBER OF MIGRATORY WORKERS

I think the conservativeness of the estimate, Mr. Chairman, is revealed by these figures: That a million one hundred thousand migratory workers will require about 940,000 accommodations.

Senator McKELLAR. We heard Mr. McNutt and his associates on that subject. I think his estimate is entirely too high. I do not think it will be that many.

Mr. BLANDFORD. We have checked and probed in every conceivable way.

NUMBER OF UNITS FOR WHICH FUNDS ARE REQUESTED

Senator McKELLAR. How much have you allocated to those million one hundred thousand migratory workers?

Mr. BLANDFORD. Well, I was going to suggest, sir, that 940,000 accommodations would take care of them, but we are assuming that private enterprise will do the major part of the job, that there will be vacancies in these communities, and that we can convert houses. We finally come down to a program here of providing 40,000 publicly financed conversions, 70,000 publicly financed dormitories, and 90,000 publicly financed family dwelling units. We are asking for public funds for only this small portion of the need—about 200,000 units out of a need of 940,000 accommodations for the in-migration.

AMOUNT OF FUNDS REQUIRED TO CARRY OUT PROGRAM

Senator McKELLAR. How much money would it take?

Mr. BLANDFORD. That program would require \$436,000,000, and the authorization request submitted by the President to Congress was four hundred million, and the House approved three hundred million, and the President's estimate of appropriation is for three hundred million on the premise—and the House legislative committee report so indicates—that there is at least that much needed at once, and that there could be a review in the fall of the necessity of the additional hundred million. The Senate committee and the Senate approved an authorization of \$400,000,000.

Senator McKELLAR. You cannot spend that much between now and the fall?

Mr. BLANDFORD. You see, Mr. Chairman, when we go out into these communities, or the Army, Navy, or Maritime Commission come to us with a request, they indicate to us their plans for recruiting workers, and they have to know in advance whether or not there will be housing, because it takes 4 to 6 months to provide these accommodations, and we have to make a firm commitment—

WHERE UNITS WILL BE CONSTRUCTED

Senator McKELLAR (interposing). Where will these constructions be—what part of the country?

Mr. BLANDFORD. Well, they will be in practically all States and several hundred cities.

Senator McKELLAR. Are they indicated in this material you have submitted?

Mr. BLANDFORD. We list in this material the States in which it is undertaken—

Senator McKELLAR (interposing). What page?

Mr. BLANDFORD. Tab 10-A-1. We have the estimates of our field representatives by cities, but Congress has always been cooperative in not putting that into the record because it would develop competition between cities as to housing and contracts, and to a certain degree it would reflect military plans or centers of production which the War Department prefers not to have published. But in the legislative hearings and in this book before you is a list, by States, which summarizes the city material.

Now, that is a present judgment. There are constant shifts and new problems coming up which, of course, we have to keep up with, and actually, of course, we program very carefully, city by city and plant by plant, but we do have to make commitments to these communities and to the War and Navy Departments some good 6 months in advance—

PROPOSED CONSTRUCTION IN ALABAMA

Senator McKELLAR (interposing). Let us take the first one—Alabama. Is that for 3,100 new units?

Mr. BLANDFORD. Those are family dwelling units; yes, sir.

Senator McKELLAR. Do you anticipate that there will be 3,100 families that will come into Alabama from now on?

Mr. BLANDFORD. More, many more than that, sir. Many more workers. This is only, on the average, about a fifth of the actual number that will come into the State. The others will be taken care of in existing housing and through private enterprise.

Senator McKELLAR. Now, what strikes me is that these plants are all established. They are all manned with labor not only in Alabama but in each one of the other States, and I am just wondering why we continue to do that.

Mr. BLANDFORD. Well, Mr. Chairman, most of the plants are presently operating, although there are a good many that are just coming into completion, but the point is that they are all expanding their schedules and their production, and it is to meet those expanding production curves that the plants require an increased number of workers, and, therefore, this migration.

PROPOSED CONSTRUCTION IN IOWA, MASSACHUSETTS, TENNESSEE,
AND WISCONSIN

Senator McKELLAR. Now, take the States of Iowa and Massachusetts and Tennessee and Wisconsin. You have a blank mark opposite that. What does that mean—that they are not going to have any more go to those States?

Mr. BLANDFORD. Not necessarily, sir. It may mean that we are relying upon private enterprise to do the job in the particular cities in those States or it may mean that we have already met the need.

PROPOSED CONSTRUCTION IN VIRGINIA

Senator McKELLAR. Now, here is Virginia, 6,000. Do you mean to say that they are going to have that many more? According to your process, it would be 11 times that many which would be 66,000.

Mr. BLANDFORD. I think I said five.

Senator McKELLAR. You will have everybody in the country on trains moving to various parts of the country, if we keep this up, wherever they think they can get a new house.

Mr. BLANDFORD. No, sir. As a matter of fact, it is five times, roughly. There are 940,000 accommodations.

Senator McKELLAR. Well, 5,000 instead of 11,000?

Mr. BLANDFORD. You mean—

Senator McKELLAR. Five times six would be 30,000.

(A discussion followed off the record.)

Senator McKELLAR. These figures make me think that you are going to have so many houses here before we get half through with the war that you will not be able to find people to live in them.

FAMILY UNITS UNDER LANHAM ACT 90 PERCENT OCCUPIED

Mr. BLANDFORD. Senator, the houses now, the family dwelling units under the Lanham Act, are 90 percent occupied. That figure is one taken at the end of the month. We have completed thousands of units just before the end of each month, and they, of course, would not be fully occupied for several weeks. So the occupancy record is good and it shows the need for the housing that has been built.

Sanator McKELLAR. You have 1,250 in the State of Delaware and there have been more houses built down there than you could count, almost, by private industry. Certainly, we have not had any complaints.

Mr. BLANDFORD. Every program we make, Senator, assumes the use of every vacancy, every bit of private enterprise construction. It is approved by the plants, by the Army and Navy, if they are concerned, and the criticism, generally, is that we are programming too tightly.

PROPOSED CONSTRUCTION IN NEW YORK

Senator McKELLAR. I will give you New York: 4,900. Now, the Government owns—I have forgotten the exact figure—it owns a very large proportion of 31,000 houses in New York now that they cannot sell. They are a drug on the market. They have lost money on them. Even in these times of prosperity they cannot do it. Why in the name of heaven would you want to add to the number of houses in New York when we already have so many vacant and empty and bring the Government no return?

Mr. BLANDFORD. On that point most of those houses that you are referring to are presently occupied.

Senator McKELLAR. The Home Owners' Loan Corporation advised us that they were not, in hearings on the matter a short time ago.

Mr. BLANDFORD. They are trying to dispose of them, but that does not mean they are vacant.

Senator McKELLAR. They are trying their best to dispose of them in any way that they can.

Mr. BLANDFORD. Meanwhile they are renting them.

Senator McKELLAR. They are renting some of them, but there are a lot of them they are not rented. There is not a demand for houses in New York.

Mr. BLANDFORD. Most of those, sir, are in New York City, and we are not to do any programming in New York City. We have not for a long time. There is not a need there.

USE OF TEMPORARY CONSTRUCTION

Moreover, all of this housing that we are building today is temporary construction which will be removed, of course, after the war, and recent amendments to the Lanham Act, approved by the Congress, provide for that removal so that there will be no drug on the market. It is really a cantonment plan for war workers, and it is part of our big plant-expansion program. While the money involved is large, in terms of our war expenditures it comes to less than 1 percent.

Senator McKELLAR. I know, but we are not spending money in terms of war expenditures.

Mr. BLANDFORD. I realize that.

Senator McKELLAR. If we were to do that, we would bankrupt the Government this year.

Mr. BLANDFORD. I know that, sir.

Senator McKELLAR. I have heard that argument referred to so often that I feel I should make that reply to you on the record. Scores of people come up here and say, "Well, this is only a small percentage

of what you are doing in this war activity or that war activity or the other war activity," and it is contended that way. That is no defense to me at all. If you do not need these houses you ought not to build them.

Mr. BLANDFORD. That is right, sir. I was just trying to relate the housing figure to our great expansion in war plants which has been largely in places where workers had to be brought in, thus requiring housing.

Senator McKELLAR. We undertook to examine Mr. McNutt very carefully on this very proposition and, of course, he has big ideas about the number of workers that he is going to mobilize and has mobilized. You cannot mobilize workers very well unless they consent to it.

Senator NYE. How largely is this construction, that you say is of a temporary nature, how largely can it be used to the extent that you would take it down and transport it elsewhere and utilize it as permanent housing for people who would be interested in buying it?

Mr. BLANDFORD. After the war, sir?

Senator NYE. Yes; after the war.

Mr. BLANDFORD. I do not think that the present stripped type of housing that we are building will be worth much more than salvage, sir. We have stripped it down to the bone, in contrast with the units which were built prior to our taking over this war-housing job. This type costs us about 30 percent less, at least, and the critical materials are 65 to 75 percent below the kind of units we were building before, so it is really stripped shelter and expendable.

Senator HOLMAN. What does the word "stripped" mean in this connection?

Mr. BLANDFORD. I mean minimum use of materials and minimum use of plumbing and equipment and everything of that sort, sir.

ESTIMATED COST OF UNITS

Senator McKELLAR. How much would a house for an average family cost?

Mr. BLANDFORD. These units are estimated to cost about \$3,200.

Senator HOLMAN. How much a room?

Mr. BLANDFORD. Mr. Emmerich is Commissioner of F. P. H. A. in charge of building these houses.

Mr. EMMERICH. They average 4 rooms.

Senator NYE. About \$600 a room?

Mr. EMMERICH. The actual construction cost of the dwelling unit itself is approximately \$2,000.

Senator NYE. The difference between that and your \$3,200, then, is your land and improvements?

Mr. BLANDFORD. Land, utilities, site development, et cetera.

UNITS WILL BE SCRAPPED AFTER THE WAR

Senator McKELLAR. And you propose to scrap them after the war?

Mr. BLANDFORD. Yes, sir; as to the temporary units, because we just did not have the materials to build permanently. We thought we

should not spend the money to build permanent units, particularly on the material side.

Senator McKELLAR. Plumbing is exceedingly expensive at this time, and you have to put plumbing, that is another reason, and besides, they are even now, in most States, according to the proof that is before us, tremendous numbers of unoccupied houses.

Mr. BLANDFORD. We do not program to the extent that there are vacancies in these war centers.

PROPOSED CONSTRUCTION IN CALIFORNIA

Senator McKELLAR. I think the biggest one is in California, 11,400.

Mr. BLANDFORD. There is an enormous problem out there.

Senator McKELLAR. Well, they have had an enormous problem out there, that is true. But we have built them enormous numbers of houses out there, too, which is also true. I do not think we ought to go into it on this extravagant scale on the mere figure that the Chairman of the War Manpower Commission estimates that he has to mobilize 1,100,000 men this summer and fall. In the first place, you will not get these houses built in 6 months.

Senator HOLMAN. May I ask a question?

Senator McKELLAR. Go ahead, sir.

EXTENT OF EQUIPMENT IN UNITS CONSTRUCTED

Senator HOLMAN. Are these houses not equipped with electric ranges, gas stoves, refrigeration, electric fans, and the various modern devices of all kinds—mangles and laundry equipment that is most modern and complete?

Mr. BLANDFORD. No, sir; they are not. Mr. Emmerich, would you answer that specifically?

Mr. EMMERICH. They are not.

Senator HOLMAN. What fixtures are in place in electric heating and plumbing?

Mr. EMMERICH. These houses have electric light. They, typically, in these temporary houses, have coal stoves, a simple space heater without any radiators in the living room, because we have not been able to get the metal for even ducts to conduct the heat, and coal hot-water installation of the simplest type. They do not have electric refrigerators. Even if we thought it was justified in these times, we could not get it. In a few city locations we can get gas stoves, but for the most part we cannot get them, and we cannot get the gas mains lengthened on account of the lack of metals, so they are very simple as far as equipment is concerned. We have not been able to get bath tubs in many of them. We have to install very simple showers for bathing purposes. The fixtures are simple and we have eliminated the gadgets.

Senator HOLMAN. What prompts me to ask the question which was not necessarily critical—

Mr. EMMERICH (interposing). I understand what you mean.

Senator HOLMAN. But I did observe the fixtures in places which I enumerated in a migratory labor camp in western Oregon. It was more modern than I would say 99 percent of the farmers have in their homes from whom these migrants are seeking employment.

Senator HAYDEN. When was the camp constructed?

Senator HOLMAN. Before the war was declared. I suppose about 4 years ago.

Senator HAYDEN. To my own knowledge, I know if a camp of that kind was constructed 4 or 5 years ago it was more elaborate.

Senator HOLMAN. I have been a Senator for 4 years, and it was under construction then.

Mr. BLANDFORD. That was under Farm Security.

Senator HOLMAN. May I ask one more question?

Senator McKELLER. Surely.

QUESTION AS TO USE OF PORTABLE HOUSES

Senator HOLMAN. Would there not be economy in utilizing the type of construction known as ready-built houses like the Aladdin Co. have made for years? My point is this: That after it had served its temporary purpose of indeterminate time until the war is over, then I thought a ready-built house could be dismantled and resold for permanent use by the buyer wherever that may be, and reshipped. Now, what about that thought?

Mr. EMMERICH. Senator, we have used a great many of that type.

Senator HOLMAN. I am wondering why you did not use them all of that type.

Mr. EMMERICH. Our problem today is that most of the ready-cut and portable houses are free standing houses, which means there is space between the houses. On account of the shortage of metals, we have been compelled to build 8 and 10 in a row to reduce the length of water pipe.

Senator HOLMAN. They are row houses?

Mr. EMMERICH. Row houses. They are very concentrated on land.

Senator McKELLER. Most of our houses in America are row houses. All of our cities are built in a row, and a lot of them in the suburbs.

Mr. BLANDFORD. A portable house is not that type, sir.

AMOUNT OF RENT RECEIVED FROM HOUSES

Senator McKELLER. Take the \$3,200-type house, which is, you say, an average type house. What rent do you get for these houses?

Mr. EMMERICH. For the two-bedroom houses—the average rent for the country, on a \$3,200 house would be \$33 a month.

Senator McKELLER. \$33 a month?

Mr. EMMERICH. Yes, sir.

Senator McKELLER. And how much on the \$2,000-type house?

Mr. EMMERICH. Well, the rent, Senator, very roughly, is about 1 percent per month of the total cost of the house.

Senator McKELLER. I know; but you can tell what that is. One percent does not mean anything to me.

Mr. EMMERICH. In a project where the actual construction cost of the dwelling unit itself is about \$2,000, the total cost, including land, utilities, site development, and so forth, would be about \$3,200. Our average rental for this house would be about \$33 a month.

Senator McKELLER. Do you make different rentals for the lower class, lower types of houses?

Mr. EMMERICH. Yes, sir. The Lanham Act provides that we fix the rental in relation to the fair value of the property. In some of

the permanent projects built in 1941 and early 1942, the rents, based on value, are higher than in the temporary units.

Senator McKELLAR. How much rent have you obtained since the Lanham Act was established? We have spent how many millions on the Lanham Act, and how much rent have you obtained?

Mr. EMMERICH. I think I have that figure, sir.

Senator McKELLAR. I would like to know the amount that we have spent on the Lanham Act and the amount of rents we have received from it.

Mr. BLANDFORD. While Mr. Emmerich is looking for that figure, Mr. Chairman, may I make this statement?

Senator McKELLAR. Yes, sir.

NUMBER OF UNITS REQUIRED FOR ESTIMATED MIGRATION OF WORKERS

Mr. BLANDFORD. The immigration figure of the Manpower Commission is 1,100,000—and I wish they were here personally to support it in detail, since it is built up by plant reports, city by city. But my point, Mr. Chairman, is this—and I hope the committee will appreciate it—that the 940,000 accommodations that will be required for that much migration is not, for the most part, to be financed out of this estimate; 740,000 of those 940,000 accommodations are going to be obtained in some other way by using existing houses and private enterprise. It is only 200,000 units that we are talking about here, and these 200,000 units are estimated to cost \$436,000,000; and, furthermore, the estimate that is being submitted is only for \$300,000,000. So you see how low the request is.

Senator McKELLAR. I understand that.

Mr. BLANDFORD. So we are down to a bedrock of only 200,000 units out of 940,000, and then asking for less than three-fourths of the money for that purpose.

TOTAL RENTALS RECEIVED

Senator McKELLAR. Here is what I want to find out. I want to find out what return the Government is getting, and I want to know another thing: I want to know how much cheaper you rent these houses and how much the same kind of houses are rented for in the localities where you build them?

Mr. BLANDFORD. Do you have that figure. Mr. Emmerich?

Mr. EMMERICH. Senator, since the inception of the Lanham Act until May 31, the latest figures that we had available, we had a gross revenue from rentals of approximately \$34,000,000, excluding charges for utilities which represent merely a repayment to the Government of the cost of utility services.

Senator McKELLAR. \$34,000,000. Now, is that net?

Mr. EMMERICH. No; that is the gross revenue.

Senator McKELLAR. How much is net?

Mr. EMMERICH. Our figures on the operating expenses would bring us a net revenue—and this is estimated, Senator, because our figures on May 31 were preliminary—approximately \$18,000,000 after operating expenses of the project plus the payments in lieu of taxes that we are obliged to make under the Lanham Act.

This is the net income from the family dwellings under the Lanham Act. Including the net project income from projects built under other acts and from dormitories under the Lanham Act, the net project income received from the Government is increased to over \$20,000,000 for the period ending May 31, 1943.

With more projects completed and yielding rentals, the total annual rental income from family dwellings built and operating under existing authorizations of the Lanham Act will be almost \$69,000,000 during the fiscal year 1944, excluding the charges for utilities. After paying operating expenses and payments in lieu of taxes approximating the full taxes that would normally be paid by private property as provided in the Lanham Act, the net income from the family dwellings under the Lanham Act will be about \$36,000,000 for the fiscal year ending June 30, 1944. For the fiscal year ending 1945 when all of the family dwellings under the existing authorizations of the Lanham Act will be operated for a full year, the net income from the family dwellings will be almost \$47,000,000.

These figures on net project income relate to Lanham Act family dwelling units and do not include income from dormitory operations or from projects built under other acts. Including the net income from projects built under other acts and from dormitories, the annual net return to the Government—after deducting expenses of management, operation, maintenance, and payments in lieu of taxes from the gross annual rental income—will be increased to over \$49,000,000 for the fiscal year 1944 and to over \$60,000,000 for the fiscal year 1945. The F. P. H. A. administrative expenses chargeable to management will be paid from this net project income. Thus even though housing for war workers might be regarded as an essential expense in the conduct of the war, nonetheless, during the period of the operation of this housing, there will be a substantial and businesslike return to the Government on the funds appropriated for this war purpose.

TELEGRAMS RELATIVE TO USE OF PREFABRICATED HOUSES

Senator McKellar. I have a telegram here. I do not know whether it applies to this particular matter, but I want to read it and see, and I will just read it out loud to save reading it twice:

TULSA, OKLA.

SENATOR TOM CONNALLY: Our plants Tulsa, Okla., Wichita, Kans., and Longview, Tex., are capable of manufacturing 30 prefabricated houses per day. Under present National Housing Agency war-housing program these facilities and five to six hundred plant employees will be idle. Some so-called temporary dwelling units, either wood and masonry, now being built are lower in original cost, but if you consider salvage of demountable houses tremendous savings can be accomplished. Mass production factory prefabricated demountable houses reduce labor to minimum, not aggravating already critical manpower and housing conditions. We believe that any appropriation for war housing should specify prefabricated demountable dwelling units so that the Government can realize fair prices for them when their need ceases to exist. They could be used for rural rehabilitation at no great additional cost.

WALTER H. AHRENS.

Southern Mill & Manufacturing Co., Tulsa, Okla.

Here is one to Senator Clark. This is from Kansas City:

Our plant in Kansas City, Mo., is capable of manufacturing 10 prefabricated houses per day. Under present National Housing Agency war-housing program these facilities and 200 plant employees will be idle. Consideration should be given to the salvage of demountable houses whereby great savings can be accom-

plished. Mass factory production of prefabricated demountable houses reduces site labor to minimum, thereby not aggravating critical manpower and housing conditions. We urge that any appropriation for war housing should specify prefabricated demountable dwelling units so that the Government can realize the greater portion of their cost when the need for them ceases to exist.

EDWARD F. REYBURN,

President, Home Building Corporation, Kansas City, Mo.

Senator HOLMAN. Mr. Chairman, in connection with this, are you aware of the activities of Senator Ferguson in bringing about the indictment of one architect by the name of Conner, I think it is another architect, wherein the architect solicited and received a bribe of a thousand dollars for a—in reference to the endeavors of the Aladdin Co., of Michigan, in endeavoring to get prefabricated houses specified?

Another wire, the architects in your department—is that in your department?

Mr. EMMERICH. We cooperated with the Department of Justice in the investigation of the two architects involved who have both been suspended. The Federal Public Housing Authority requires its employees to adhere to the highest ethical and legal standards in the performance of their functions and this is the first instance of its kind in the whole F. P. H. A. program.

Senator HOLMAN. That had authority to pass out these orders for these houses, were in the business of taking bribes.

Senator McKELLAR. From the prefabricated people?

Senator HOLMAN. Yes; and this isn't the only case. This is a case that, through the activities of Senator Ferguson, was brought to light and have resulted in two indictments since the first of this month on that matter.

USE OF PREFABRICATED HOUSES

Senator McKELLAR. I did not know about that at all. I never heard of it before. But what I wanted to say: If these were temporary houses and were to be dismantled after the war, it just struck me that there might be some way of building prefabricated houses that could be used after the war for other purposes and at other places, if honestly constructed, and I know that the business will be honestly conducted—you may have somebody in there who is dishonest—it seems to me an immense saving could be made by prefabricated houses.

Now, what is your answer to that?

Mr. BLANDFORD. Mr. Emmerich ought to speak at a little more length, but here are some points, Mr. Chairman: First of all, all these prefabricated houses, which we are using to a considerable extent, are not demountable. Is that not right?

Mr. EMMERICH. That is right.

Mr. BLANDFORD. There is a lot of misinformation on that point.

QUESTION AS AMOUNT REQUESTED FOR PREFABRICATED HOUSES

Senator McKELLAR. How much are you using out of this appropriation for prefabricated houses?

Mr. BLANDFORD. Have you any judgment on that, Mr. Emmerich?

Mr. EMMERICH. Senator, I could not answer that question in advance.

Senator McKELLAR. I would like for you to answer it and put it in the record.

Senator NYE. Could you afford any estimate at all on it?

Mr. EMMERICH. It is very difficult to estimate.

Senator McKELLAR. Out of the last 40 million?

Mr. EMMERICH. We could supply that, sir.

Senator McKELLAR. Could you not tell now?

DIFFERENCE BETWEEN PREFABRICATED AND DEMOUNTABLE UNITS

Mr. BLANDFORD. While he is looking for that figure, I would like to mention that there is the difference between prefabricateds and demountables. Where there is a shortage of labor supply in an area, we do have prefabrication in order to conserve labor.

Senator HOLMAN. It also reduces cost, you know.

Mr. BLANDFORD. In some cases we can get speed that way, too, although it is often the utility lay-out that takes the time. But the demountable feature is not characteristic of all prefabrication, and it is very expensive. We inherited a so-called demountable program, and the units cost us about \$4,000 apiece.

COST OF PREFABRICATED HOUSES

Senator McKELLAR. How much does a prefabricated house cost you of the same kind that you build for \$3,200?

Mr. EMMERICH. Some of the \$3,200 houses are prefabricated but these do not have the demountability feature. We are submitting a statement for the record on this whole matter of prefabrication, as well as the matter of demountable houses.

Senator McKELLAR. You mean the prefabricated and demountable houses?

Mr. EMMERICH. Yes, sir.

Mr. BLANDFORD. And demountable.

Senator McKELLAR. Now, what was the cost of the prefabricated houses? They can be used again, too.

Mr. BLANDFORD. No, only the demountables, sir.

Senator NYE. Not the demountable ones?

Mr. BLANDFORD. The prefabricated ones are not uniformly demountable.

Senator McKELLAR. I thought all prefabricated houses—I do not know anything about it—but they advertise they can be used again.

Mr. BLANDFORD. It is the demountability feature that is quite expensive. Also the point may be important, Senator, that the demountable is a free-standing type of unit. It means that they have to be spaced out, they do not hook them up in rows; and the utility lay-out—the sewer and water installations—is controlling, from the materials viewpoint.

Senator HAYDEN. That was my recollection with respect to these houses that might be used after the war, that you start out with a house that cost pretty near twice as much per unit, so you double your cost. Now, doubling your cost; does it mean that you can get the half that you put in above out again after the war is over?

WHERE TEMPORARY UNITS ARE CONSTRUCTED

Mr. BLANDFORD. That is going to be a problem, Senator. As to the thousands of demountables that we inherited, there will be a question as to where there will be a need. It is going to be a problem to find a place to put those. That is one reason we are doing temporaries now. Another reason for building the temporary unit is that we build temporary where there is clearly no need after the war in that particular community. If there is a permanent need in the community, then we have private enterprise build. This temporary construction is for needs that will not exist after the war, where everybody in the community and the plants agree there will be no need after the war.

QUESTION AS TO WHETHER PRIVATE BUILDERS AND REAL ESTATE OPERATORS OBJECT TO GOVERNMENT CONSTRUCTION AND RENTING OF HOUSES

Senator McKELLAR. Is there not a great complaint among the private real estate and house builders of the country against the Government building all these houses and renting them at a less price than theirs?

Mr. BLANDFORD. I think the answer to that is, briefly, this: That the National Association of Home Builders, who represent most of the builders, and the National Association of Real Estate Boards have by resolution and testimony endorsed this program. They realize that we are providing—

Senator McKELLAR (interposing). It is easy enough to get an organization to endorse any program. I have found that out in my experience.

Mr. BLANDFORD. These are the persons that are really building the houses and who have an interest in what happens post-war from the viewpoint of overbuilding. We meet almost monthly with them to discuss our plans; and they have testified, in hearings on this bill, that we have been helpful and that we are utilizing private enterprise wherever we can, and that they realize there is a need for this much publicly financed temporary housing.

HEARINGS HELD ON AUTHORIZATION BILL

Senator McKELLAR. Do you have hearings published?

Mr. BLANDFORD. Yes, sir; on the authorization bill.

Senator HAYDEN. That is what I am trying to get at again. You had hearings before the House committee for quite a long time.

Mr. BLANDFORD. About 6 weeks.

Senator HAYDEN. And built up a record and the House committee considered this proposal of four-hundred-odd-million dollars.

Mr. BLANDFORD. Yes, sir.

Senator HAYDEN. They reported out a bill of \$300,000,000, which the House has passed, and the matter was considered by the Senate, passed by the Senate, and the bill is on the President's desk?

Mr. BLANDFORD. Except that the Senate committee, before which we had hearings, reported out four hundred million. That was the Committee on Education and Labor.

Senator McKELLAR. Why would a House building bill go before the Committee on Education and Labor?

Senator HAYDEN. Because this is not a public building program.

Senator McKELLAR. If it is an Army and Navy program or if it is a labor program, why would it not go to another committee?

Senator BROOKS. I remember that matter was up on the floor and that there was quite a contest between Senator Maloney and some of the other Senators. They had quite a lot of argument about it, and the Senate decided to refer the legislation to the Committee on Education and Labor.

Mr. BLANDFORD. That was some 2 years ago.

Senator BROOKS. Well, it was more than a year ago.

Mr. BLANDFORD. We had our last hearing before Education and Labor. This program, further, Mr. Chairman, has been reviewed and endorsed and supported—urgently supported—by the War Production Board, the War and Navy Departments, and the Maritime Commission.

Senator McKELLAR. Yes, sir. I can telephone down there and some man who does not know anything in the world about it will give me his opinion that it ought to be done, but that is neither here nor there. Let us look at this thing.

QUESTION AS TO AMOUNT THAT WILL BE USED BY JANUARY 1, 1944

How much of this money are you going to use between now and January 1?

Mr. BLANDFORD. I hoped, Mr. Chairman, when we originally submitted our program, we would program four hundred million before January 1.

LABOR SUPPLY FOR PROPOSED PROGRAM

Senator McKELLAR. Where would you get the labor to do it?

Mr. BLANDFORD. Well, it is the same labor, sir, that is building houses now and completing them day by day.

Senator McKELLAR. Well, do you have them in your employ on salary?

Mr. BLANDFORD. No, sir. These houses are built by contractors.

Senator McKELLAR. By contractors?

Mr. BLANDFORD. Yes, sir. There is a labor supply available because the other large group—

TYPE OF CONTRACTS USED

Senator McKELLAR (interposing). Is it by competitive contract or is it by agreement?

Mr. BLANDFORD. Competitive bidding is your practice, isn't it, Mr. Emmerich?

Mr. EMMERICH. Today it is almost entirely by competition.

Senator McKELLAR. Almost entirely by competition?

Mr. EMMERICH. Last year we had some cost-plus-fixed-fee contracts, but this year we have virtually done away with them.

Senator McKELLAR. If they are bad, why have you not done away with them entirely?

Mr. EMMERICH. Well, we have virtually done away with them entirely. While it is our general policy to award contracts on a lump-sum competitive basis, the cost-plus-a-fixed-fee type of contract has been used in a few instances where it was apparent that the contract must be started immediately and that the time required to take bids in open competition would prevent the completion of the project when needed or where there were other equally compelling reasons. Thus, there are some cases where this type of contract was used to expedite construction of roads and similar site construction before the rainy season set in on the west coast.

EXTENT OF USE OF COST-PLUS-FIXED-FEE CONTRACT

Senator McKELLAR. How much did you spend by cost-plus-fixed-fee building last year?

Mr. EMMERICH. There were 138 jobs in the past year and a half.

Senator McKELLAR. Could you get the amount and put it in the record?

Mr. EMMERICH. Yes, sir.

(The matter referred to is as follows:)

The total cost of the projects is about \$300,000,000, but this includes projects where only part of the work was done under cost-plus-fixed-fee contracts, as in cases where this form of contract was used on the site work and a lump-sum competitive contract for the structures. Since January 1, 1943, over 92 percent of our projects have been built on a competitive lump-sum basis.

QUESTION AS TO NEED AT THIS TIME FOR ALL OF FUNDS REQUESTED

Senator McKELLAR. I would like for you to do it. It seems to me it is a very ambitious program for the next 5½ months, and it seems to me even if your program was carried out, you would not need \$300,000,000 at this time.

Mr. BLANDFORD. I am completely confident that we will have urgent requests.

Senator McKELLAR. I am sure of that. I am just questioning your judgment about building the houses on this estimate.

Mr. BLANDFORD. We are not relying on that entirely, Mr. Chairman.

Senator McKELLAR. You stated this morning that you relied on that statement that Mr. McNutt was going to need 1,100,000, I think.

Mr. BLANDFORD. In addition, we made our own independent figure, city by city, and came within a few units.

Senator McKELLAR. I would like to know—we will keep it confidential, of course—I would like to know where you are going to build all these houses.

PROPOSED CONSTRUCTION IN VIRGINIA

Over here in Virginia, as you know, they have got a tremendous number of new houses, and it would be very remarkable if you were going to build more new houses in that vicinity.

Mr. BLANDFORD. We will not be building in this vicinity, sir, no. Norfolk is one of our big problems.

Senator McKELLAR. Norfolk?

Mr. BLANDFORD. Yes. Hampton Roads and Newport News.

Senator McKELLAR. What is that for? They are all filled now.

Mr. BLANDFORD. The Navy has got an enormous program of recruitment for their shipyards.

Senator McKELLAR. I know. Recruitment for shipyards, yes.

Mr. BLANDFORD. Combatant ships.

PROBLEM ARISING OUT OF MIGRATION OF WORKERS

Senator McKELLAR. But why would you have to get new houses for them? In other words, we have got 135—would you not say—135,000,000 people here, and they are all housed and the only reason I see for new houses is because they are migrating from one place to another.

Mr. BLANDFORD. Yes, sir.

Senator McKELLAR. Well, the more we build, the more they will migrate, and the more of our railroads we will use for transferring.

Mr. BLANDFORD. We do not build them, sir, until we are told by a plant, verified by War, Navy, or Maritime, who may have the contract with the plant, that they need so many more thousand workers in the next 6 months or 12 months, that only a small proportion of them are available locally, and that a certain number of them will have to migrate in order to maintain production. Then we program that many houses, encouraging private enterprise to do all they can. I assure you, sir, it is a conservative estimate. I know that there will be urgent programs—we have them waiting in our office now—that will come in this summer, and that this \$300,000,000 will just barely get us by the fall programming. Of course, we will not get completion on it until early next year in some cases.

(A discussion followed off the record.)

Senator McKELLAR. Any other questions?

DELAY IN HOUSING PROGRAM

Senator OVERTON. I would just like to make this observation as to the National Housing Agency, not that it has not entered specifically into that program in that particular area, but it seems to me it delays too long. They wait until they get reports from this agency and that agency, and so forth, and then they have very lengthy consideration and they contact this and that interest, and so forth, and if there is to be any need for this program, the quicker it is done, the better, because here is a proposition suffering for want of housing, and the housing is not there; long delays ensue before a program of additional housing is started in that particular area.

Mr. BLANDFORD. Senator, I think we have accelerated our programming greatly, but, to the extent that we have conferred with local communities and conferred with Army and Navy and plant managers, it has been due solely to a desire not to program more than is needed. We did not want to have extensive vacancies. We did not want to waste critical material.

Senator OVERTON. I think you are ultraconservative because we are in the war here and people are being transferred from one locality

to another in furtherance of the war effort, and they are without housing, they are without accommodations, and as soon as you arrive at a conclusion that there is a necessity for additional housing, the work ought to be undertaken very promptly.

Senator HAYDEN. I would like to say, Mr. Chairman, that I would like to confirm what Senator Overton has said. From our experience in our own locality, we never had a mass production industry of any kind there. The Aluminum Co. of America came in and built a large exclusion plant. The Goodyear Tire & Rubber Co. came in and built a large plant for the construction of airplanes. There are some 4,600 people employed there at the plant. It is much larger now. Then what they call air research, which takes care of the parts of a plane that permit it particularly to attain great altitude, came in. There was not adequate housing. Housing has not kept up with the plant construction. Either you have to provide the housing or the plant cannot operate, and the complaint that we have had all along was that it took so much time to work the matter out before they could provide it. Then finally when we get down to the place and go to see Mr. Blandford about it, he says, "Well, I am sorry about all of that because Congress hasn't appropriated enough money to do the job, and I have to program it not only carefully, but also I have to make the money spread over the United States to take care of the problem."

Mr. BLANDFORD. Our principal reason for caution is because we know that into these houses are going metals that are being diverted from other parts of the war effort, and the War Production Board is extremely anxious that we conserve materials. Now, we have conserved them by reducing the amount used in a unit by about 65 to 75 percent. Even so, it adds up to a considerable volume of critical materials, and we have programmed cautiously. In some cases we have programmed, consistent with our policy, to rely on private enterprise, and for one reason or another private enterprise has hesitated and hasn't produced as much as we expected, and then we have had to go in a bit late with publicly financed housing.

Senator McKELLAR. Let me give you an experience in my own county. The British and French governments built powder plants in the northern part of the county 18 or 19 miles from Memphis. They had not built a single house. They got all the workers out of Memphis. They come from their homes in cars and busses and they worked at those plants, several thousand of them.

The Navy Department has built a very large naval station there, about 3 or 4 miles further out. There were no houses built out in that neighborhood. They all came from the city of Memphis in busses and other means of transportation, such as railroads. In that case the railroad and busses are used because they run right by the plant, and there has been no dislocation of labor and no dislocation of houses. There have been a great many built houses, yes, because some of them needed houses and the Government has been put to no expense at all. It seems to me if it could be done at one place in the United States, certainly it ought to be done at other places in the United States. Certainly we ought not to make these enormous appropriations for it. That is why I was trying to get Mr. Blandford to be more moderate in his demands for money at this time to build these houses.

AMENDMENT REQUESTED TO CONTINUE AVAILABLE UNEXPENDED BALANCE OF
ITEM IN THIRD SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT,
1942

This is not all. He wants another provision added to this bill, which reads as follows:

Defense housing: The unexpended balance of the appropriation made under the heading "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942, is continued available until June 30, 1944.

AMOUNT OF UNEXPENDED BALANCE

I have a letter from Mr. Blandford in which he says:

The balance of funds that have not been used and which would continue available under this extension is only in the neighborhood of \$14,000,000. But these funds are extremely important to us, because we have counted upon them for financing the movement of about 35,000 trailer accommodations.

USE OF TRAILERS

You use trailers?

Mr. BLANDFORD. We use trailers for emergency situations until housing can be provided.

Senator McKELLAR. The letter further says [reading]:

which we now own, from place to place, to serve extremely critical war housing needs. Funds drawn from this appropriation, rather than from other sources, have been used for the purchase of trailers and should be used also for their movement.

We have just been before the Congress with our request for funds for the construction of permanent and temporary dwelling units for the fiscal year 1944. Our requests have been stripped down to the minimum, partly on the assumption that substantial needs could be met for a time by the most effective use of the 35,000 trailers which we now own. If we cannot secure the extension of the availability of the funds that we have been counting upon for this trailer purpose, our whole program will be thrown out of gear to an extent beyond what might seem to be indicated by the relatively small amount of funds involved.

I do not know how much these balances are.

AMOUNT OF UNEXPENDED BALANCE

Mr. BLANDFORD. About \$14,000,000, sir, as of the date of our last reports. Some funds have been obligated since and the total unobligated balance should be continued available for the purpose of moving trailers and completing certain work necessary on projects started under that appropriation.

Senator McKELLAR. This very appropriation request has been turned down by both Houses already, and yet you come back here for another one.

Mr. BLANDFORD. Well, Mr. Chairman, may I make a statement, off the record if you wish, on that?

LETTER FROM ADMINISTRATOR OF NATIONAL HOUSING AGENCY

Senator McKELLAR. Why not make it on the record, but you do either way you want. I want this letter put in.

(The letter referred to is as follows:)

NATIONAL HOUSING AGENCY,
Washington, D. C., June 24, 1943.

HON. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: You will undoubtedly recall that your committee inserted, and the Senate approved, an amendment to H. R. 1762, the independent offices appropriation bill for 1944, extending for another year (until June 30, 1944) the availability of the unexpended balance of the appropriation made under the heading "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942. You will recall also that quite recently this proposed amendment was struck out in conference.

In view of the entirely noncontroversial nature of this amendment, the small amount involved despite its very large importance to the National Housing Agency, and the reasonable probability that Members of the House would not be unfavorable upon full explanation, I have been hoping that you might give consideration to attaching this amendment to one of the appropriation bills scheduled for passage this month.

This very simple amendment has to do with appropriations for temporary housing which were made by Public Law No. 9, and amendments thereto, in March, May, and December 1941. These funds were appropriated to remain available until June 30, 1943, and it is our earnest desire that this availability be extended for another fiscal year.

The balance of funds that have not been used and which would continue available under this extension is only in the neighborhood of \$14,000,000. But these funds are extremely important to us, because we have counted upon them for financing the movement of about 35,000 trailer accommodations, which we now own, from place to place to serve extremely critical war-housing needs. Funds drawn from this appropriation, rather than from other sources have been used for the purchase of trailers and should be used also for their movement.

We have just been before the Congress with our request for funds for the construction of permanent and temporary dwelling units for the fiscal year 1944. Our requests have been stripped down to the minimum, partly on the assumption that substantial needs could be met for a time by the most effective use of the 35,000 trailers which we now own. If we cannot secure the extension of the availability of the funds that we have been counting upon for this trailer purpose, our whole program will be thrown out of gear to an extent beyond what might seem to be indicated by the relatively small amount of funds involved.

In view of these considerations, it would be of great aid to the efficiency and economical conduct of the war housing program if we can get an extension of another year in which to use the small balances now remaining available from appropriations long since made, the validity of which were never in any way questioned by the Congress.

I am enclosing for your convenience a proposed draft of such amendment, which might be inserted at some appropriate place in one of the pending appropriation bills.

Sincerely yours,

JOHN B. BLANDFORD, Jr., *Administrator.*

CONTINUATION OF APPROPRIATION FOR WAR HOUSING

War housing: The unexpended balance of the appropriation made available until June 30, 1943, under the heading "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942, is continued available until June 30, 1944.

REASON AMENDMENT IS REQUESTED

Mr. BLANDFORD. First of all, this relates to a special fund that Congress appropriated for a special type of shelter, such as trailers.

Senator MCKELLAR. Forty-two, was it not?

Mr. BLANDFORD. Yes, sir.

Senator McKELLAR. And if you hadn't spent it until now, why in the world would you want it at this late date?

Mr. BLANDFORD. Well, sir, we have spent it conservatively. In figuring out our program of new needs, we counted upon this balance, and we expected to continue to finance the trailer program out of this fund rather than mix it up with this Lanham Act housing. We hoped that we would have the \$14,000,000 available so that we could use it to move trailers from one place to another as the need might develop and to do certain necessary work in the completion of projects started under this appropriation. Now, what actually happened, sir, was that your committee, sir, included it in a bill—I think it was the independent offices bill—and it went to conference and was dropped out in conference.

Senator McKELLAR. That means that it was defeated by the two Houses. That means it was disapproved by the two Houses and it was disapproved. Notwithstanding that that bill has been disapproved by the Congress already this year, you want us to include it in another one. I am just trying to get you to be as reasonable as you can.

Mr. BLANDFORD. Yes, sir; but I simply desired to ask that the matter be reconsidered, if you deemed that desirable. The Senate recently approved it. I have also talked to members of the House Appropriations Committee, and I have had the feeling that possibly it was an inadvertence that the provision approved by the Senate was dropped out in conference.

Senator McKELLAR. No, sir; it was not by an inadvertence. We do not do business that way.

Mr. BLANDFORD. I understand that, sir.

Senator McKELLAR. We have very great scraps in the Appropriations Committee—in the conference committee—about mighty near every item in it, if not every item in it.

Mr. BLANDFORD. The House conferees did not have full information. I mean, we did not give it to them.

Senator McKELLAR. Well, I do not know.

Mr. BLANDFORD. Well, that was the point we made.

(A discussion followed off the record.)

NUMBER OF TRAILERS ON HAND AND ON ORDER

Senator HAYDEN. I remember distinctly a hearing we held here when the members of this committee urged the adoption of a trailer program upon the theory that there would be greater recovery after the war, that these trailers could be used and there would be use for them in various places. If a place was abandoned, you could put them on a home on wheels, and take them to some other place. I understood you to say you had 35,000 of them now.

Mr. BLANDFORD. Yes, sir.

Senator HAYDEN. And are more of them being built?

Mr. BLANDFORD. Not presently, sir.

Senator McKELLAR. Are they all in use?

Mr. BLANDFORD. All but four or five thousand that have not been delivered on the last order, that have not arrived yet.

Senator HAYDEN. Of my own knowledge, I know, for instance, of a new mining development where there was absolutely no housing. The trailers came in. The workmen on the job were cared for and when the thing straightened out, the trailers were taken away.

Mr. BLANDFORD. They have been very helpful to meet emergency situations until other units are completed or until the need is met.

Senator McKELLAR. How are the trailers transported from one city to another?

Mr. BLANDFORD. Ordinarily on wheels.

Mr. EMMERICH. The trailer company has trucks on which they transport them to the next site.

Senator HAYDEN. The proposal made originally was that there were a number of manufacturers of trailers in the United States, that you would adopt a more or less standard design that they would all make and they did that.

Are these all very much alike?

Mr. EMMERICH. Yes, sir.

Mr. BLANDFORD. That is right.

Senator HAYDEN. What has become of the trailer manufacturing business? Has it gone out?

Mr. BLANDFORD. Gradually tapering off.

Senator HAYDEN. Of course, no private individual would want to buy a trailer now because he could not get gas to move his car, but there was a tremendous demand for them prior to the war by private individuals, to buy them.

Mr. BLANDFORD. Yes, sir.

REPAIR OF TRAILERS

Senator BROOKS. What has been your experience on keeping them in repair?

Mr. BLANDFORD. Has that presented a problem?

Mr. EMMERICH. There are some problems in connection with that, but they have not been as serious as we thought. The trailer has fulfilled a stopgap use particularly in the less severe climates.

DEMOUNTABLE FABRICATED HOUSES

Senator, in answer to your previous question, may I just say that of the demountable fabricated house that we have already finished about 86,000 units, and I want to say furthermore, sir, that—

Senator McKELLAR (interposing). At what cost?

Mr. EMMERICH. Total cost, sir?

Senator McKELLAR. Yes.

Mr. EMMERICH. May I supply that?

Senator McKELLAR. All right, sir.

(The statement referred to follows:)

STATEMENT ON PREFABRICATED AND ON DEMOUNTABLE HOUSING

Prefabrication methods have been liberally used in the construction of war housing, including factory fabrication, fabrication on site, and combinations of the two methods.

In 1942, when less stringent standards prevailed as to the availability of materials for construction and for utilities, it was still possible to build a great

many demountable houses. All of these were produced by prefabricated methods. This was at a time when the building-construction industry was carrying a very heavy load on account of Government contracts for all kinds of construction.

As of May 31, 1943, 84,423 demountable prefabricated dwelling units¹ were included in the Federal Public Housing Authority public war housing program at an estimated over-all total development cost per dwelling unit of approximately \$3,900. The estimated cost of the structures themselves (fabrication, erection, and equipment) is over \$254,500,000, or \$3,015² per dwelling unit.

In 1943 it became necessary to build houses six and eight in a row, rather than single- or double-unit buildings, to achieve more intensive utilization of steel and copper for water lines. This led to the adoption of temporary dwelling units in which low first cost of money and materials were major considerations. In these group units the feature of portability or demountability was not found feasible. Moreover, these temporary units cost the Government about \$1,000 less per unit for the house alone than the 1942 demountables, and this sum is in excess of any additional expected salvage or resale value of demountables. Consequently, there is no economy in money to the Government in the demountable as compared with the strictly temporary types, and the demountable type requires much more critical materials.

Every effort is being made to give prefabricators the opportunity to employ their facilities in the present and future programs. They have been consulted on the plans so that they can compete with other construction methods. Unlike a year ago when the construction industry was at its peak building camps, bases, etc., the construction industry today is losing business. This has made it possible to secure more active competition and excellent bids on construction of war housing. It has made it possible to obviate the necessity for negotiated contracts.

With shortages of lumber and other materials and of manpower, every facility of the construction industry, whether conventional, site fabrication or factory fabrication, will be needed to complete the program. Our bidding procedures and policies provide a method which enables prefabricators to compete for the Government's business while at the same time preserving the essential features of speed and economy to the public war housing program. It is our policy to invite bids which permit alternate methods of construction, including either wood or masonry construction; if wood construction is selected by the contractor, he has the option of utilizing factory fabrication, site fabrication, or conventional building methods. To provide war housing when needed to serve essential war industries, in isolated areas where housing, feeding, and transportation of construction labor is involved and in congested areas where war industries have drawn off labor causing a shortage of building trades labor, factory prefabricated housing (if prefabrication facilities are available in the area) is the sole method specified.

Senator McKELLAR. Gentleman, unless there are some other questions, we are very much obliged to you gentleman, and we will take it under consideration.

Mr. BLANDFORD. I hope you will help us so that we can get this housing under construction this summer, Mr. Chairman.

Senator McKELLAR. We will take it under consideration; yes, sir.

Who is the next witness?

INTERIOR DEPARTMENT

BITUMINOUS COAL DIVISION

STATEMENT OF DAN H. WHEELER, DIRECTOR, BITUMINOUS COAL DIVISION

Senator McKELLAR. You are from the Bituminous Coal Division?

Mr. WHEELER. Yes, sir.

Senator McKELLAR. What do you have to say to us?

¹In addition to these demountable prefabricated dwelling units, prefabrication methods are utilized in the construction of a great many of the temporary dwelling accommodations now programmed which may not have the demountable feature, such prefabrication being performed either in factories or at the site of the project.

²These figures are based upon cost analysis of 25,000 demountable dwellings.

Mr. WHEELER. Mr. Chairman, the Bituminous Coal Act was about to expire this April when the House voted a 120-day extension. That was cut to 30 days by the Senate, which met with the approval of the conferees, and the 30-day extension was granted.

Senator McKELLAR. This means it goes out on the——

ACT EXPIRES ON AUGUST 23, 1943, UNLESS EXTENDED

Mr. WHEELER. Sir, that was in April, and that extended to May 23. The purpose of that extension was to hold hearings so that the Ways and Means Committee could hold hearings—and then the balance of that original 120 days was voted, which was agreed to by the Senate, and the date for expiration was fixed at August 23.

FURTHER EXTENSION OF ACT IN CONTEMPLATION

On June 21 the Ways and Means Committee started hearings on the bill providing for extension for the duration of the war plus about 2 years, and on June 30 Congressman McGranery introduced a resolution for extension of the act through December 31 of this year for the purpose of permitting the conclusion of hearings and the completion of the legislative process, with the idea, I think, that otherwise, if Congress took the discussed vacation, it would find the act defunct when it came back.

Now, what the progress of that resolution is, I do not know.

Senator HAYDEN. I made inquiry of Senator Guffey, who is our authority on this side, who advised me that the resolution had been favorably reported.

Mr. WHEELER. It has been by the Ways and Means Committee.

Senator HAYDEN. By the Ways and Means Committee.

Mr. WHEELER. Yes, sir.

Senator HAYDEN. And he expected a rule to be adopted and to pass the House today.

Mr. WHEELER. Well, as I came over here, the Rules Committee, I think, was sitting on it, and I have not heard whether or not——

Senator McKELLAR (interposing). That is to continue until December 31.

Mr. WHEELER. December 31, 1943.

Senator McKELLAR. And it will take \$1,100,000 to run it that long?

Mr. WHEELER. Yes, sir.

CURRENT APPROPRIATIONS

Senator McKELLAR. How much did you have that year?

Mr. WHEELER. We had an appropriation of \$2,447,500 until the 30th of April—until the 23d of April.

Senator McKELLAR. Yes, sir.

Mr. WHEELER. And thereafter, for the 30 days, we got \$144,000 from the President's fund. Then, with the extension of 90 days we came, you may remember, Senator McKellar, with a request for \$800,000 which was cut in conference—which the Senate allowed, but which was cut in conference to \$700,000.

Senator McKELLAR. How long will that last you?

Mr. WHEELER. That was supposed to last us until the 23d of August, and in order to keep within that amount, we had to let 54 people go.

Now, those 54 people were people who are extremely necessary to the division and to the secretary in this coal situation, and they were field people that at the time of their separation from the——

Senator McKELLAR (interposing). Sixty-five?

Mr. WHEELER. Fifty-four.

NUMBER OF EMPLOYEES

Senator McKELLAR. How many have you got all told?

Mr. WHEELER. On this appropriation, Mr. Chairman, we have 930.

Senator McKELLAR. How many have you got now?

Mr. WHEELER. That is what we have now.

Senator McKELLAR. How many did you have last year?

ALLOTMENTS FROM OTHER AGENCIES

Mr. WHEELER. Before this—well, Senator, I think, to explain that, I better say that we have an allotment from the Solid Fuels Appropriation, and we have an allotment from the Office of Price Administration which supplies us the—the Solid Fuels allotment gives us 174 people. The Office of Price Administration allotment gives us 69 people. Now, when the Office of Solid Fuels Coordination—now Administration—was set up, as you have heard Mr. Gray testify here, his office was held down to an absolute minimum because he was depending upon the Bituminous Coal Division to service his work.

Senator HAYDEN. That is what he testified.

Mr. WHEELER. We have a great many solid-fuels statistics. We have to process them in one way for the purposes of the Bituminous Coal Division, but we can process them in other ways for the purposes of the Solid Fuels Administration.

Senator McKELLAR. Are you going to keep your administration going just as it is until December 31?

Mr. WHEELER. That is what we hope. We would like to recover those 54 people, and that \$1,100,000 will permit us to do that.

LIKELIHOOD OF ACT BEING EXTENDED

Senator McKELLAR. If you are going out of business in December, why is it necessary?

Mr. WHEELER. We hope we are not, Senator McKellar.

Senator McKELLAR. I know you hope that, but the Congress seems to be determined about that, are they not?

Mr. WHEELER. I do not think so.

Senator McKELLAR. Are they not?

Mr. WHEELER. No, sir. We are right in the middle of hearings now, Senator.

Senator McKELLAR. Why have they abolished you so often before? They stopped you in May, you say, and then now in August.

Mr. WHEELER. Now, I am not going to say that there are not some people in Congress who are determined to see that the act does not go on, but I do not know who——

Senator McKELLAR. It looks like the majority passed those laws. They could not pass them any other way except by a majority and it just seems to me that if the Congress, by a majority, has twice

directed that this Commission be stopped, it is going to be very difficult for you—

Mr. WHEELER. That is not what has happened, Senator. This act was originally passed for 4 years. Thereafter it was extended in 1941 for 2 years. The ordinary processes of legislation would have called this up for a hearing early this year, but the Ways and Means Committee had a tax bill before it, and it could not get around to it, and so these short extensions have been granted for the purpose of allowing the legislative process to be completed.

Senator McKELLAR. All right.

Senator BROOKS. Was there a question of hearings on your part for the operators and the miners, was that involved in the desire to discontinue the service of this Commission?

Mr. WHEELER. I do not understand, Senator Brooks, what the question is.

Senator BROOKS. I say—I do not know much about it myself—but I heard at the time a discussion that the miners had asked for a hearing.

LEGISLATIVE HISTORY OF COAL ACT

Mr. WHEELER. Oh, I get your question now. The Coal Act is said—and I speak with no personal knowledge—the Coal Act is said to have originated under the sponsorship of the U. M. W. However that may be, they were very much in favor of the legislation, and when the act was extended in 1941, they, with the operators—some of the operators—were its then proponents. The legislation originally provided for a Commission of seven men, but for reasons that I know nothing about, that Commission was abolished in the second reorganization plan of the President and the work of the Commission was transferred to the Secretary of the Interior who was empowered then to administer it under such bureau or office as he should determine.

He set up a division and named a director. The first director of the Division was Howard A. Gray.

When, in November 1941, the Secretary took Mr. Gray to be Deputy Solid Fuels Coordinator, he named me as Acting Director, and later as Director of the Division.

Now, the United Mine Workers are said to have sponsored bills this time which were introduced in the Senate by Senator Guffey and in the House by Congressman Jenkins, which would restore a commission—this time a three-man commission rather than a seven-man commission—and would restore to the commission the authority to appoint personnel outside of the civil service, as the original act had done.

The Department and the Division have not favored that legislation. The Secretary believes in one-man responsibility, and he has testified that he would not like to see this go back under Commission handling.

TOTAL AMOUNT AVAILABLE FOR 1943

Senator McKELLAR. Mr. Wheeler, let me ask you this question—I have not got it here, I thought I did, but how much did the Congress appropriate for you for the year 1943?

Mr. WHEELER. You do have it, Senator, \$2,447,500.

Senator McKELLAR. Yes; I have that, but what amounts did you get outside of that from all other sources? You said there was an allotment made for you from Solid Fuels. What was that?

Mr. WHEELER. That amount was—in 1943——

Senator McKELLAR. Yes, sir.

Mr. WHEELER (continuing). Was \$672,000.

Senator McKELLAR. \$672,000?

Mr. WHEELER. Of which we expended, however, only \$326,000. We did not use all of that.

Senator McKELLAR. Well, of course, that has lapsed. What about Price Administration? How much have you used from them?

Mr. WHEELER. \$125,505.

Senator McKELLAR. And 144 out of the President's fund?

Mr. WHEELER. And 144 out of the President's fund.

Senator McKELLAR. So that you got from Congress last year \$2,447,500 and you got from other sources \$941,000, which would be——

Mr. WHEELER (interposing). Well, Senator, may I suggest——

Senator McKELLAR (continuing). Would be \$3,388,000, all told. Yes, sir; do you have a question? I am not on the witness stand, but I will answer your question.

Mr. WHEELER. I was wondering whether you were using that \$672,000 or \$326,000 in your addition?

Senator McKELLAR. \$672,000.

Mr. WHEELER. I think it would be better to use the \$326,000.

Senator McKELLAR. Well, you may think that, but I am trying to find out what you got last year.

Mr. WHEELER. Let me suggest, Senator, that this estimate applies only to the work that we do in the processing of the Coal Act.

SOURCE OF FUNDS FROM OUTSIDE AGENCIES FOR 1944

Senator McKELLAR. Well, where do you expect to get other money next year—from what sources do you expect to get the money?

Mr. WHEELER. We at the present time have an allotment from the solid-fuels fund.

Senator McKELLAR. How much are you going to get this year from solid fuels?

Mr. WHEELER. \$400,000.

Senator McKELLAR. \$400,000?

Mr. WHEELER. Yes, sir.

Senator McKELLAR. And how much are you going to get from the President?

Mr. WHEELER. None, I think.

Senator McKELLAR. None from the President?

Mr. WHEELER. None, I think.

Senator McKELLAR. How much will you get from the Price Administration?

Mr. WHEELER. We will get \$150,000.

Senator McKELLAR. One hundred fifty thousand dollars. So that if we allow you to have this million one hundred thousand dollars, you will have all told, between now and January, \$1,650,000; is that right?

Mr. WHEELER. Well, of course, that 550 that you started with is for the full fiscal year, Senator.

Senator McKELLAR. Well, of course, that is, if you continue, but if you continue only until December, you will have about as much to spend as you have had this past year from all sources.

Mr. WHEELER. Well, Senator, for the Coal Act work—this thing, I think, appears a little bit confused. The efforts of the Secretary have been to be economical. If he had set up the Solid Fuels Administration separately with all the people he needed for that work, he would have had to have at least a thousand people.

Senator McKELLAR. How many people have you, all told?

Mr. WHEELER. We have \$1,200.

Senator McKELLAR. 1,200?

Mr. WHEELER. 1,180.

Senator McKELLAR. 1,180?

Mr. WHEELER. Yes, sir.

AMOUNT ALLOCATED TO SALARIES

Senator McKELLAR. How much of your appropriation goes to salary?

Senator HAYDEN. All of it, is it not?

Mr. WHEELER. No. For the fiscal year 1943 salaries from all of these funds will be \$2,433,000.

Senator McKELLAR. Two million four hundred thirty-three thousand dollars?

Mr. WHEELER. No; I am sorry; \$2,807,000. Now, if I may—

AMOUNT FOR OTHER EXPENSES

Senator McKELLAR (interposing). Now, wait a minute. Two million eight hundred seven thousand dollars. That will leave \$581,000 for the other expenditures. For what do you spend that?

Mr. WHEELER. Well, for one item, we spend it for rent. We have a rental here in Washington of one building, and we have a rental in 11 field offices—no; we have rental in 10 field offices. We did have space in the Federal Building in Pittsburgh last year, which is no longer available to us and we have to pay rent this year.

We have rental of equipment, and that is considerable, because a large amount of the work under the Coal Act is statistical, and we have a considerable I. B. M.—International Business Machines—installation, which is expensive, and usual supplies and services, but, Senator McKellar, may I explain this interrelationship between the agencies?

Senator McKELLAR. Yes.

Mr. WHEELER. As I say, if the Secretary had set up what he needed independently for the Solid Fuels Office, he would have had about a thousand people. If the Office of Price Administration had, without delegating anything to us, set up an organization to handle coal, it would have had to have almost a duplicate agency.

NUMBER OF PERSONS IN OFFICE OF PRICE ADMINISTRATION COAL SET-UP

Senator McKELLAR. Do you know how many people they have in their coal set-up?

Mr. WHEELER. I should say that so far as it relates to that portion of coal which we handle—namely, bituminous coal for sale from a

mine or preparation plant; we have nothing to do with retail—I should say that as to that portion of the coal business they probably have no more than 10 people.

Now, then, if those 10 were not there, if the whole work was done by us, we would still have to have that many people in our place for liaison, but if they did not have us they would have to have an organization just like ours in order to do the same kind of a job on maximum coal prices.

So that what we are doing for an allotment of \$150,000 from O. P. A. is to save probably \$3,000,000 for the Government by reason of non-duplication, and for an allotment of \$400,000 from the Solid Fuels appropriation we are probably doing the same thing.

Senator McKELLAR. Now, you said the O. P. A. had 10?

Mr. WHEELER. I think 10.

NUMBER OF PERSONS EMPLOYED BY SOLID FUELS ADMINISTRATOR

Senator McKELLAR. How many solid fuels in this business?

Mr. WHEELER. Well, they had to pick up these 54 people that we dropped because they just had to have those eyes and ears in the field, and with those 54 I think they now have, I would say, 80. They had gotten along with a staff of about 26 up to that time.

NUMBER OF EMPLOYEES OF BITUMINOUS COAL DIVISION TAKEN OVER BY SOLID FUELS ADMINISTRATION

Senator McKELLAR. So they just took—54 were cut off in your department and they just took them over?

Mr. WHEELER. Well, they had to have them, Senator, because with this operation of the mines by the Secretary he had to have eyes and ears in the field, and these people report to our field office managers every day and the field office manager makes a report to the Secretary.

Senator McKELLAR. Did not he take them over before he took over the coal mines?

Mr. WHEELER. No, sir.

Senator McKELLAR. When did that happen? When did he take them over?

Mr. WHEELER. These 54 people?

Senator McKELLAR. That is right.

Mr. WHEELER. After Congress had reduced our appropriation. The take-over of the 54 people was effective on the 16th of June, and he took over the coal mines on the 1st of May.

Senator McKELLAR. Has the Congress refused heretofore to give you this amount this year?

Mr. WHEELER. No, sir.

Senator McKELLAR. You did not have any application for it?

Mr. WHEELER. The Congress has not—the only thing that the Congress has refused is they reduced our request for \$800,000 to \$700,000, and, Senator, I cannot too earnestly ask you to let use have this \$1,100,000, because if the—

Senator McKELLAR (interposing). Well, it seems to me the first thing you will have to do is to await the action of the Congress on the bill. We have no law that authorizes the appropriation now.

Mr. WHEELER. As I understand this, the Budget has written the appropriation language on a contingent basis.

Senator McKELLAR. Well, that is all right.

ATTITUDE OF DEPARTMENT ON RESTORATION OF BITUMINOUS COAL
COMMISSION

Senator BROOKS. I would like to have a continuance of the discussion he was giving me here. You said that the Department and the Division opposed it. Was that the end of your explanation of this controversy?

Mr. WHEELER. No, sir. The Department and Division opposed the restoration of the Commission.

LEGISLATIVE HISTORY OF COAL ACT

The House passed a bill to extend the act for 120 days, as I explained, for the purpose of allowing time for hearings.

Senator BROOKS. On that proposition?

Mr. WHEELER. No, sir. It went to the Senate and the Senate committee cut it down to 30 days, which was all the Senate Committee on Interstate Commerce would approve without hearings. Thereafter when the House approved an additional 90 days, the United Mine Workers asked for a hearing before the Senate Committee on Interstate Commerce, and that was granted, and after the hearing had been held before Senator Wheeler, as chairman and the committee, the 90-day extension was approved, which carried it to August 23.

Now, then, on June 21, the Ways and Means Committee opened hearings on the extension of the act, not for a limited period of 2 or 3 months, but—well, as to whether or not it was legislation that should be continued for an additional period of years—and the bill before them was H. R. 1454, which was introduced by the chairman of the Ways and Means Committee at the request of the Secretary of the Interior and had the support of a very large majority of the operators, and also there had been referred to the committee the Jenkins bill, which provided for a Commission, and that, as I understand it, was introduced by Congressman Jenkins at the request of the Mine Workers.

Now, we have all been heard over there. The Mine Workers have been heard; the Department has been heard; operators have been heard; consumers have been heard. Hearings are still going on. This is the twelfth day of those hearings. I do not know whether they will conclude today or whether they will conclude next week.

Senator BROOKS. It depends on what those hearings bring out as to whether the act is continued or not.

Senator HAYDEN. Let me ask one final question.

Senator BROOKS. Let me get the answer to this.

Senator HAYDEN. I beg your pardon.

Mr. WHEELER. Yes. I assume that the outcome of those hearings will determine whether or not this legislation is to be continued, but in order that it would not just die, just go by default, this resolution for its extension through December of this year was introduced.

Senator BROOKS. And that is what this appropriation is for?

Mr. WHEELER. That is right. In order to bridge the gap between

now and the time when the Congress should return to its labors after vacation.

Senator BROOKS. Thank you very much.

DUTIES AND FUNCTION OF COAL DIVISION

Senator McKELLAR. What are the duties of this Commission—this Division? What do they do?

Mr. WHEELER. Senator McKellar, the Coal Act provides that there shall—

Senator McKELLAR. No; I am not talking about that. I am asking you just what you do.

Mr. WHEELER. In short, we fix minimum prices for coal.

Senator McKELLAR. Fix minimum prices?

Mr. WHEELER. Fix and enforce minimum prices for bituminous coal.

AMOUNT OF TAX COLLECTED

Senator HAYDEN. And what do you collect from the industry for doing it?

Mr. WHEELER. We collect 1 cent a ton on each ton of coal produced and disposed of.

Senator McKELLAR. How much does it amount to a year?

Mr. WHEELER. That amounts to—this year, if we can meet the goal that we have set, it will amount to 600,000,000 tons production, or \$6,000,000.

Senator HAYDEN. I started to ask this question a moment ago: Has there ever been a time—in recent years, at least—but what you have collected twice as much from that tax as Congress has appropriated?

Mr. WHEELER. We have collected a good deal more than the Congress has appropriated.

Senator McKELLAR. But it is a tax on the coal producer?

Mr. WHEELER. Yes, sir.

Senator McKELLAR. Any other questions?

Mr. WHEELER. I want to finish this reply, if I may.

Senator McKELLAR. Yes, sir.

Mr. WHEELER. We have collected \$26,000,000, of which six and two-thirds millions have gone into the general fund. It has not been used for the purpose for which it was collected.

Senator McKELLAR. All right. Much obliged to you.

COMMERCE DEPARTMENT, OFFICE OF ADMINISTRATION OF CIVIL AERONAUTICS, DEVELOPMENT OF CIVIL LANDING AREAS

STATEMENT OF SENATOR ROBERT M. LA FOLLETTE, JR., TESTIFY- ING ON CIVIL AERONAUTICS AUTHORITY, DEVELOPMENT OF LAND AND AREAS

Senator LA FOLLETTE. I wish to add just a word to the testimony which was given yesterday in behalf of this proposal to appropriate money to complete 28 of the uncompleted W. P. A. airports.

Senator McKELLAR. We had very elaborate testimony.

Senator LA FOLLETTE. As I understand it, this list does not include all of the ones which have been completed. This is the list which they have picked out as the ones being most likely to be of some secondary source of benefit to the war effort, and, secondly, that they are the ones which are nearest completion, and, thirdly, that they are the ones which, considering the country as a whole, will give us for the future the best coverage or distribution of airports for commercial and private plane operation.

There are three airports which fall in this list in my own State, Eau Claire, Oshkosh, and Siren, and I do wish merely to add my hope to the committee that it can consider this item favorably.

Senator McKELLAR. What will it cost to complete those three?

Senator LA FOLLETTE. Eau Claire estimated \$750,000; Oshkosh, \$600,000; and Siren, \$300,000.

Senator McKELLAR. \$300,000?

Senator LA FOLLETTE. That is included, as I understand it, in the eight million. It would not be an addition thereto.

BITUMINOUS COAL CONSUMERS' COUNSEL

STATEMENTS OF E. J. LADLEY, ASSISTANT TO BITUMINOUS COAL CONSUMERS' COUNSEL, RAYMOND KERR, CHIEF TECHNICAL ASSISTANT, AND GEORGE I. MERRILL, ASSISTANT TO BITUMINOUS COAL CONSUMERS' COUNSEL

Mr. LADLEY. My name is E. J. Ladley.

Mr. KERR. My name is Raymond Kerr.

Senator McKELLAR. And yours?

Mr. MERRILL. Merrill.

Senator McKELLAR. You need this for personnel in the event the House and Senate continue your operation?

Mr. LADLEY. Personnel services and all other expenses, Senator—traveling, transportation.

Senator McKELLAR. How much have you got to travel?

Mr. LADLEY. Well, this has been revised. This estimate was placed on a little more than you have mentioned, and we have not had a chance to revise it. Our travel on this estimate is \$3,900.

Senator McKELLAR. All right, sir, will you not put your revised estimate in the record here, if you will?

Mr. LADLEY. Yes, sir; \$65,000.

Senator McKELLAR. The whole thing depends on whether the Congress restores this activity.

Mr. LADLEY. Yes, sir.

Senator McKELLAR. How much will you need—\$65,000 or will it be less?

Mr. LADLEY. Senator, I can tell you this: that our expenses now are running about \$15,000 a month.

Senator McKELLAR. And six months would be \$90,000?

Mr. LADLEY. Yes, sir.

Senator McKELLAR. You think you could get along with sixty-five?

Mr. LADLEY. Well, the only way we can get along, Senator, is to cut down.

Senator McKELLAR. Well, this is the estimate here, \$65,000?

Mr. LADLEY. Yes, sir.

Senator McKELLAR. We could not very well go above that.

Mr. LADLEY. I will revise that.

Mr. KERR. Senator, we are already provided for until the 24th of August, with funds.

Mr. LADLEY. Oh, yes.

Mr. KERR. This activity has already been extended to the 24th of August.

Senator McKELLAR. Any questions?

Senator BROOKS. What is it about?

Senator McKELLAR. It is about the personnel of this same organization that Mr. Wheeler was talking about just before these gentlemen came in here. They want a personnel of \$65,000 if the Congress establishes the activity after August 23.

Senator BROOKS. That will be in addition to the \$1,100,000?

Mr. LADLEY. This is an independent agency.

Senator McKELLAR. This is an independent agency, but it has a connection with the—

Senator BROOKS. What do you do?

Mr. KERR. It is set up under the same act, but it is a separate agency.

Senator McKELLAR. Anything else you wish to say?

Mr. KERR. I do not think so.

Senator McKELLAR. If that is all, we are very much obliged to you. I think we understand the situation.

Mr. LADLEY. Do you want me to give the revised figures now?

Senator McKELLAR. Have you got them now?

Mr. LADLEY. I can get it in a minute or two.

Senator McKELLAR. You can do it out there and put it into the record.

Revised estimate

Personal service-----	\$57,400.00
Travel-----	1,900.00
Transportation of things-----	50.00
Communication services-----	1,600.00
Printing and binding-----	750.00
Other contractual services-----	1,600.00
Supplies and materials-----	750.00
Equipment-----	950.00
Library stock-----	600.00
Total-----	<u>65,000.00</u>
Total of June 30 pay roll-----	5,406.18
Supplemental-----	493.75
	<u>5,899.93</u>
	2
	<u>11,799.86</u>
	<u>2,806.56</u>
	14,606.42

Estimate of \$70,000 for the 4 months from August 24, 1943, through December 31, 1943, cut by Budget Bureau to \$65,000.

¹ See supplemental sheet.

CIVIL AERONAUTICS AUTHORITY

STATEMENT OF HON. KENNETH S. WHERRY, A UNITED STATES
SENATOR FROM THE STATE OF NEBRASKA

DEVELOPMENT OF CIVIL LANDING AREAS AT BEATRICE AND FREMONT, NEBR.

Senator WHERRY. As long as I am here, I would just like to add that the Beatrice Airport, according to Mr. Stanton, is what they call a large size airport capable of landing Army transportation. He said he broke down the figures in his testimony here and gave it to you when he testified.

Senator McKELLAR. \$450,000 to complete that airport.

Senator WHERRY. At Beatrice.

Senator McKELLAR. And \$225,000 at Fremont.

Senator WHERRY. He told me offhand to tell you that the Beatrice Airport was capable of handling three airways. It was 500 feet wide and 4,000 feet long.

Senator McKELLAR. I figured that was a good long airport.

Senator WHERRY. 4,000 feet long, and 500 feet wide, capable of handling—

Senator McKELLAR. 5,000 feet wide?

Senator WHERRY. Five hundred feet wide. The Beatrice Airport in area now constitutes an airport that is 500 feet wide, 4,000 feet long. There are no natural barriers in it or around it. If you need more space, land is easily available. It is low-priced land. And, as you stated, it will take \$450,000 to complete the project.

Senator McKELLAR. How about the one at Fremont?

Senator WHERRY. Fremont includes 225 acres of land that has already been acquired. It is capable of handling anything you want to develop there as far as runways are concerned.

Senator McKELLAR. How far are these two places from each other?

Senator WHERRY. Beatrice, Nebr., is located 15 miles north of the Kansas line and 40 miles west of the Missouri River. Fremont is located 40 miles straight west of Omaha, Nebr., which would be about 125 miles north of Beatrice and about 45 miles west of the Missouri River.

Senator McKELLAR. All right, sir. Anything else?

Senator WHERRY. Nothing except this: That I certainly hope you will give us favorable consideration. We need those airports.

Senator McKELLAR. Thank you very much.

TREASURY DEPARTMENT

BUREAU OF ACCOUNTS

STATEMENT OF E. F. BARTELT, COMMISSIONER, BUREAU OF
ACCOUNTS, TREASURY DEPARTMENT

AMOUNT OF APPROPRIATION REQUESTED

Senator McKELLAR. Mr. Bartelt, you have an item here of \$800,000 for salaries and expenses, deposit of withheld taxes. I will put the

estimate in the record at this point, together with the justification that has been submitted.

(The estimate and justification referred to follow:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 2, 1943.

The PRESIDENT.

The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1944 amounting to \$800,000, as follows:

TREASURY DEPARTMENT

FISCAL SERVICE

Bureau of Accounts

Salaries and expenses, deposit of withheld taxes: For all necessary expenses, fiscal year 1944, incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943, including personal services in the District of Columbia and elsewhere; not to exceed \$113,000 for printing and binding; and reimbursement to Federal Reserve banks for printing and other necessary expenses, \$800,000.

This estimate is in the amount required by the Bureau of Accounts for depository functions incident to the handling of withheld taxes under the Current Tax Payment Act of 1943 (Public Law 68, approved June 9, 1943), and for the reimbursement to the Federal Reserve banks of expenses incurred in connection with the current deposit by employers of amounts withheld as taxes from the salaries and wages of employees. Circular WT of the Bureau of Internal Revenue provides that every employer who withholds more than \$100 during a month shall pay the amounts withheld to a depository authorized by the Secretary of the Treasury, within 10 days after the close of the month. Depositories will remit such funds to Federal Reserve banks for the credit of the Treasurer of the United States at the end of each month or sooner if the deposits by employers reach \$5,000. This procedure will make withheld taxes available to the Treasury much earlier than if the funds were held by employers until the filing of their quarterly tax returns with the collectors of internal revenue.

The foregoing estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1944, and approval is recommended.

Very respectfully,

WAYNE COX,
Acting Director of the Bureau of the Budget.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Salaries and expenses, Treasury Department—Deposit of withheld taxes

For salaries and expenses of the Treasury Department in the District of Columbia and elsewhere, incident to deposit of withheld taxes in Government depositories pursuant to Public Law 68, approved June 9, 1943, including purchase, rental, and exchange of machines and equipment at the seat of Government and elsewhere; not to exceed \$110,500 for printing and binding, and such other miscellaneous and contingent expenses as may be necessary including reimbursement to Federal Reserve banks for services, supplies, printing, and other necessary expenses----- \$800, 000

JUSTIFICATION OF ESTIMATES FOR APPROPRIATION

Salaries and expenses, Treasury Department, deposit of withheld taxes—general statement.

This estimate of \$800,000 is necessary for the administration of certain depository functions incident to the handling of withheld taxes under the Current Tax Payment Act of 1943 (Public Law 68, approved June 9, 1943).

Beginning July 1, 1943, employers are required to withhold a tax upon wages of their employees. The amount withheld will be 20 percent of the excess of wages paid over specified withholding exemptions. Under Circular WT of the Bureau of Internal Revenue, it is the duty of every employer who withholds more than \$100 during a month to pay the amounts withheld to a depository authorized by the Secretary of the Treasury. These deposits must be made within 10 days after the close of the month.

Under Treasury Department Circular No. 714, any bank insured by the Federal Deposit Insurance Corporation may qualify for designation as a depository and financial agent of the Government to receive from employers, money withheld as taxes. These qualifications and other work incident thereto will be handled through Federal Reserve banks.

It is estimated that 2,300,000 employees are affected by the act of whom approximately 1,000,000 will make deposits through the depository facilities. Of the total estimated sum of \$6,700,000,000 to be withheld annually by employers, approximately \$4,000,000.00 will be received through the depository facilities (the third month's withholdings of each quarter may be remitted directly to collectors of internal revenue). Depositories will issue to employers a receipt for each deposit of withheld taxes. These receipts must be sent to the collectors of internal revenue with the employers' quarterly withholding tax returns.

Depositories will remit moneys received from employers to the Federal Reserve banks of their respective districts as soon as the amounts reach \$5,000, except that at the end of the month the balances on deposit must be remitted to the Federal Reserve banks regardless of amount. These remittances will be accompanied by copies of the receipts furnished by the depository bank to employers.

This procedure will make withheld taxes available to the Treasury much earlier than if the funds were held by employers until the filing of their quarterly tax returns with collectors of internal revenue.

The estimate required to handle this work consists of the following principal items:

1. Reimbursements to Federal Reserve banks for salaries and expenses—	\$619,348
2. Salaries and expenses of the Treasury Department—	180,652
Total—	800,000

These items are explained in more detail as follows:

Reimbursements to Federal Reserve banks, \$619,348.—Under regulations and instructions of the Treasury Department practically all the detail work under this plan will be performed by the Federal Reserve banks and their branches as fiscal agents of the United States. The duties and responsibilities of these banks will involve (a) the qualification of depositories to receive funds withheld as taxes, (b) the issuance and custody of depository bonds purchased by qualifying banks, (c) the review of reports and records from time to time to ascertain that the amounts of depository bonds are appropriate in relation to the volume of transactions handled by the depository banks, (d) receiving remittances of withheld taxes from depositories and maintaining records thereof, (e) receiving from collectors of internal revenue depository receipts for appropriate credit and clearance on account of the Treasurer of the United States, (f) balancing or matching depository receipts received from collectors of internal revenue with corresponding copies received from depositories, (g) distribution of material to qualified depositories, and (h) performing such additional functions and duties pertaining to withheld taxes, including preparation of reports, as may be required by the Secretary of the Treasury.

The estimate of \$619,348 required for reimbursement to the Federal Reserve banks includes cost of personal services, rental of space and equipment, printing of forms, communications, transportation of things, and all other incidental expenses in connection with the foregoing activities.

Treasury Department, \$180,652.—The Treasury Department will exercise general supervision and coordination of the deposit activities and will maintain control accounts and records relative to deposits in Federal Reserve banks and depository bonds issued. The withholding of taxes will also involve approximately 20,000 additional certificates of deposit annually for amounts to be covered into the Treasury, as well as additional certificates and checks covering credits to special deposit accounts and transfers to the general fund of the Treasury.

For general supervision and coordination, one accountant at \$3,800 and a clerk-stenographer at \$1,620 will be needed in the office of the Commissioner of Ac-

counts. To care for correspondence in Washington and records of depository bonds, two clerks at \$1,800 and \$1,620, respectively, will be needed in the Division of Deposits. The formal covering of the receipts into the Treasury by the Division of Bookkeeping and Warrants will require one deposit clerk at \$1,620; a total in the Bureau of Accounts of five employees whose salaries (excluding overtime) will amount to \$10,460.

Nonpersonal service items aggregating \$170,192 include an estimated sum of \$56,520 for equipment, which is of a nonrecurring character. This item covers miscellaneous office equipment, such as desks, chairs, file cabinets, adding and bookkeeping machines, etc., totaling \$53,520 for Federal Reserve banks and \$3,000 for the Treasury Department. The other major item is for printing and binding, that is, \$108,500 for printing receipts and \$2,000 for printing of regulations and instructions to the Federal Reserve banks and depositories, and other necessary printing. The balance comprises small items including travel, transportation of things, communications, and supplies and material. The details of these items are set forth in the following table:

Estimated administrative expenses of the Treasury Department

Personal services (excluding overtime pay):

Bureau of Accounts:

1 accountant in grade CAF-11-----	\$3, 800
1 correspondence clerk in grade CAF-4-----	1, 800
1 clerk-stenographer in grade CAF-3-----	1, 620
1 record clerk in grade CAF-3-----	1, 620
1 deposit clerk in grade CAF-3-----	1, 620

Total personal services-----	<u>10, 460</u>
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Other than personal services:

Travel-----	1, 500
Transportation of things-----	172
Communications-----	1, 000
Printing and binding-----	110, 500
Supplies and materials-----	500
Equipment-----	56, 520

Total other than personal services-----	<u>170, 192</u>
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Total estimated annual expenses-----	<u>180, 652</u>
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REASON FOR APPROPRIATION REQUESTED

Mr. BARTELT. This estimate of \$800,000 arises in connection with the administration of the Current Tax Payment Act of 1943. Its purpose is to bring into the Treasury funds withheld by employers earlier than they would otherwise be brought in if we waited until the employers' returns were received by the collectors at the end of the quarter.

Section 1631 of the Internal Revenue Code as enacted in this act authorizes the Secretary of the Treasury to designate banks to receive these funds currently as they are withheld by the employers. The regulations issued by the Commissioner of Internal Revenue provide that it shall be the duty of every employer who withholds \$100 or more each month to deposit those receipts into one of these depositories not later than 10 days after the close of the month. Under the Treasury Secretary's regulations, the administration of this will be done principally through the Federal Reserve banks. That is to say, it is to be decentralized. There will be roughly about 12,000 bank depositories designated under this provision, and they will operate under the general supervision of the Reserve banks.

BANKS THAT WILL BE ELIGIBLE TO BE DESIGNATED AS DEPOSITARIES TO
RECEIVE EMPLOYERS' WITHHOLDINGS

Senator McKELLAR. Let me ask you this: Take a city like my own. We have there a branch of the Federal Reserve bank, and we have three national banks. Probably all four of them—would they be designated as depositaries?

Mr. BARTELT. Yes, sir. Those banks would be eligible to be qualified as depositaries to receive these employers' withholdings.

Senator McKELLAR. Does it take in State banks, too?

Mr. BARTELT. All banks that are members of the D. I. C., all insured banks are eligible to become depositaries.

Senator McKELLAR. This is to hurry up the obtaining of the money by the Government?

Mr. BARTELT. Exactly.

Senator McKELLAR. How many people will you employ?

Mr. BARTELT. This estimate, Mr. Chairman, is principally for the purpose of reimbursing the Reserve banks for the work which they will perform.

Senator McKELLAR. How much do you give them? You have a regular scale of prices, I suppose.

Mr. BARTELT. We want to reimburse them for their out-of-pocket expenses, but we will review the figures carefully before we make the payment to see that they are generally in line.

Senator McKELLAR. It is perfectly manifest that you have to have it, it seems to me.

Mr. BARTELT. Yes, sir; I think it is a very fine thing.

Senator McKELLAR. Any questions?

Senator BROOKS. No, sir.

Senator McKELLAR. Very much obliged.

Mr. BARTELT. Thank you very much.

UTILIZATION OF ALASKA REINDEER MEAT

Senator McKELLAR. In connection with the consideration of another bill, the question arose as to the utilization of Alaska reindeer meat by the Army and in connection with lend-lease operations. This matter was taken up with the War Department and the Lend-Lease Administration, and I will place in the record at this point letters that have been received from General Somervell and Mr. Stettinius.

(The letters referred to follow:)

WAR DEPARTMENT,
ARMY SERVICE FORCES,
Washington, D. C., June 28, 1943.

Hon. KENNETH McKELLAR,

Acting Chairman, Senate Committee on Appropriations,

United States Senate, Washington, D. C.

DEAR SENATOR McKELLAR: In your letter of June 22, 1943, you stated that your committee wished to be advised as to the utilization of reindeer meat by the Army. The Quartermaster General states that the Army installations in Alaska have purchased a substantial amount of the reindeer meat which has been available in the past.

The Office of Indian Affairs of the Department of Interior has recently advised the Quartermaster General that later this year there will be available approximately 1,000,000 pounds, dressed weight, of reindeer meat. This meat will come from the herd on Nunivak Island. Present Army plans are predicated on taking

50 percent of this meat. The remainder will be made available to civilians in Alaska.

The Quartermaster General is working in cooperation with the Office of Indian Affairs to secure the best utilization of reindeer meat as it becomes available. It is my belief that these steps will bring about the best possible utilization of reindeer meat.

Sincerely yours,

BREHON SOMERVELL,
Lieutenant General, Commanding.

OFFICE OF LEND-LEASE ADMINISTRATION,
Washington, D. C., June 24, 1943.

HON. KENNETH MCKELLAR,
*Acting Chairman, Senate Committee on Appropriations,
United States Senate, Washington, D. C.*

DEAR SENATOR: In reply to your letter of June 22, I wish to advise that no requests have been received from the lend-lease countries for reindeer meat and we have not had any occasion to investigate the possibilities of its use.

I am asking the War Food Administration, United States Department of Agriculture, which handles all the procurement of lend-lease foods, to look into this matter thoroughly and I will advise you immediately upon receipt of its report.

At the present time a considerable proportion of the meat which we ship is canned meat and undoubtedly one of the questions which must first be considered is whether or not there are canning facilities available within a reasonable distance from the locations where reindeer are available.

With best wishes,

Sincerely yours,

E. R. STETTINIUS, Jr.

FEDERAL COMMUNICATIONS COMMISSION

[See p. 38]

(The Federal Communications Commission submitted the following letter:)

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., July 3, 1943.

HON. KENNETH MCKELLAR,
*Chairman, Subcommittee, Senate Appropriations Committee,
Washington, D. C.*

MY DEAR SENATOR MCKELLAR: On July 1, 1943, representatives of the Federal Communications Commission appeared before your committee for the purpose of justifying the expenditure of funds for the purpose of engaging in a training program for radio operators to fill vacancies in technical positions in the field, at which time a request was made for additional information which is submitted herewith.

The Federal Communications Commission under the Communications Act of 1934, as amended, is charged among other things with the duty of licensing radio stations and operators and with the location and prosecution of individuals who, through lack of the necessary operator or station license, are operating in violation. In the event such operation is suspected or found to be of a subversive nature, then the Federal Bureau of Investigation is immediately notified thereof. In all cases where subversive activities are shown, the Federal Bureau of Investigation is given the fullest possible cooperation by this Commission. Similarly, other important services are rendered other agencies directly relating to the war effort. In order to permit the Commission's field staff of engineers and operators to carry out the duties imposed upon it under the terms of the Communications Act, including the important functions enumerated above, it is necessary to insure a sufficient complement of personnel in all phases of our field activities.

There has existed for the past year or more an acute shortage of radio engineers and operators. In spite of this Commission's efforts to obtain replacement per-

sonnel through the Civil Service Commission's recruiting program, as well as through our own efforts, separations are creating more vacancies than can be filled. At the present time there are 58 vacancies as monitoring officers, intercept officers, and radio operators. It is requested that this figure be entered in the record in lieu of the 89 vacancies which was given as an estimate during the course of the hearing. The induction and commissioning of men into the armed forces, transfers to other agencies, and resignations indicate the need for a training program in order to provide a reservoir of radio operators to fill positions in our monitoring stations and information centers.

The Commission is being guided in its request for deferments by the policies set forth in Executive Order No. 9309, wherein key positions are defined. In particular, it is to be noted "key positions shall be limited to positions involving serious difficulty of replacement because a scarcity of available qualified personnel exists and because any incumbent of the position must have had, in order to perform the duties effectively, an extended period of training or specialized experience."

On the basis of the present Federal policy on deferment of government employees, it is reasonable to assume that men in the lower age brackets, regardless of their essentiality in key positions, will be inducted into the armed forces. By way of indicating the vulnerability of the Commission's position in this regard, there is attached a list showing these key positions in the age groups 18-25, 26-37, 38-44, and over 44, under the job classifications of monitoring officer, intercept officer, and radio operator. In consideration of the time limitation with which we are confronted in developing information in regard to total deferments requested as of June 30, 1943, it is not possible to break down our deferment requests into age groups for field employees. However, beginning with the inception of the agency committee, punch machine records have been established which has permitted a compilation of the total deferment requests for the period from March 16, 1943, to June 30, 1943. This information has also been included on the attached table, under the pertinent job classification and age groups. In this regard, it is to be noted that since the inception of the selective service requests for deferment have been made for 437 employees in the above categories. A large percentage of these requests were for employees not being considered by the local boards for induction because of age, dependency, etc. Therefore, for the purposes of this request, it is believed a more appropriate figure would be the total number of men in these groups having an occupational deferment. There are at present 326 men in the monitoring officer, intercept officer, and radio operator groups who now have deferments because of their occupation.

Chairman Fly's testimony before the House of Representatives Appropriation Committee on the independent offices appropriation bill for 1944, indicated, as of January 15, 1943, a total of 391 employees in a deferred status on the rolls of this Commission. Since March 16, 1943, a total of 20 employees have been rejected for further deferment by the agency committee. In addition, there will be many other employees, particularly those in the lower age groups, who will be considered for induction at the time their deferments come up for review.

Mention was made in the hearing of duplication by other agencies. No Federal agency duplicates the work of the Federal Communications Commission in the examination of radio operators and issuance of licenses to those found qualified; performing the duties of an intercept officer at Army information centers for silencing radio stations; monitoring to insure silence and to assist the regional controllers in duties relating to this activity; locating illegal radio stations and the development of evidence for prosecution through the use of long range and mobile direction finding equipment. Further information relating to the duties of personnel for which replacements are to be developed through this training program are described in secret document CCX previously furnished members of the committee.

There is enclosed here for the information of the committee, a copy of a press release issued by the War Manpower Commission concerning a report submitted to it by the National Roster of Scientific Personnel, which emphasizes the present acute shortage of electrical and radio engineers and particularly states that there is a need for the specialized training of persons to be employed "in a technical capacity in connection with radio detection, in which field there is great demand for technical personnel." It is regretted that the full report is not presently available to the Commission for transmission herewith.

In conclusion, it is respectfully requested that this training program be authorized in order that the Commission may take immediate steps to reduce its deferments to the absolute minimum and to establish an orderly replacement schedule for technical employees.

Sincerely yours,

PAUL A. WALKER,
Acting Chairman.

OFFICE OF WAR INFORMATION

WAR MANPOWER COMMISSION

Thousands of engineers now employed on jobs not essential to the prosecution of the war, must transfer before the end of the year to more essential activities where a shortage of qualified engineers that threatens to become acute, is developing.

This is the essence of a report made to Paul V. McNutt, Chairman, War Manpower Commission, by the National Roster of Scientific and Specialized Personnel of the Commission's Bureau of Placement, Mr. McNutt announced today.

It is indicated in the report that from the beginning to the end of 1943, there should be an increase from 40,000 to 50,000 in the total number of engineers in essential civilian work and in the armed forces.

It is estimated that at present there are about 280,000 American professional engineers, of whom 19 percent are in the armed forces and in civilian jobs in the War and Navy Departments. Twelve percent are in other Governmental positions; 49 percent are employed in manufacturing, mining, and construction; while 20 percent are employed in transportation, communication, public utilities, private consulting offices, colleges, and universities.

Most acute shortages of engineers, it was explained, occur in the field of electrical, radio, mechanical, aeronautical, marine, and industrial engineering. A shortage also exists in the fields of chemical, metallurgical, and sanitary engineering. As a result of completion of construction projects, a number of engineers, principally civil engineers, are being made available for work in other projects, such as aircraft construction, shipbuilding, and factories of all kinds. The report stated that young, adaptable civil engineers with recent training in mathematics and physics who have had some courses in electrical or radio engineering, might, after some special training, be employed in a technical capacity in connection with radio detection, in which field there is a great demand for technical personnel.

The report points out that war industry is passing through its most critical phase, from the standpoint of engineering personnel needs. "More engineers are required to start production and raise production rate to capacity," it is stated, "than are required for normal operation. When manufacturing plants reach the stage of routine production, they can better stand the loss of some of their technical personnel to the armed forces without curtailing operations."

Training programs can assist in meeting present and future engineering personnel needs, the National Roster report stated. The simpler engineering tasks may be turned over to technical assistants, it was explained. Skilled workers may be upgraded, working full time at their highest skill, while less technical operations may be performed by men and women with more limited technical training. The Government-sponsored engineering, science, and management war training college courses for which high-school graduates are now eligible, can provide many of these technically trained men and women to help out in the present emergency. Likewise many civil engineers may take such short-training courses as will enable them to fill in the demands for other types of engineers.

The senior classes in all engineering colleges numbered only 17,000 for the academic year 1942-43, the report stated. Of this 17,000, a survey of the engineering schools made by the National Roster in October and November, 1942, showed then an estimated 6,400 were committed to the armed forces through the enlisted reserve programs.

The military training of the nearly 40 percent of the present senior engineering students committed to the armed forces through membership in reserve components, is nominal, it was added. Except to the extent that these new engineers are needed to fill technical posts in the armed forces, it is felt that serious consideration should be given to releasing some of them to war industry—particularly those who have specialized in the most critical industrial engineering fields.

Table showing number of employees by age groups and job classifications, together with number of requests made during period Mar. 16, 1943, to July 1, 1943, for occupational deferment of incumbents of such positions

Job categories	Totals	Departmental				Field—Inside United States				Field—Outside United States			
		18-25	26-37	38-44	Over 44	18-25	26-37	38-44	Over 44	18-25	26-37	38-44	Over 44
Monitoring officers (all grades).....	531	9	18	2	3	60	231	67	26	35	52	18	10
Requests for deferment.....	148	4	4	-----	3	18	74	6	-----	15	26	1	-----
Radio operators (all grades).....	151	3	5	-----	3	48	46	18	13	11	4	-----	-----
Requests for deferment.....	41	2	3	-----	-----	12	14	3	-----	6	1	-----	-----
Intercept officers (all grades).....	70	-----	-----	-----	-----	7	45	11	7	-----	-----	-----	-----
Requests for deferment.....	24	-----	-----	-----	-----	2	21	1	-----	-----	-----	-----	-----

The total number of requests shown is the total approved and forwarded by the Agency's Committee on Deferment of Government Employees and forwarded to local boards for their determination. It is, of course, understood that all requests will not be favorably acted upon. In fact, a number of such requests have been refused by the local boards, and others are still pending determination.

It should also be noted that the Agency committee has refused to authorize deferment requests for a number of employees in these categories and has indicated that it will in the future disapprove, except in extraordinary cases, any request for the deferment of an employee within the continental United States in the age group 18-25.

Senator McKELLAR. This will conclude the hearing, and we will adjourn subject to call.

(Whereupon, at 1 p. m., Saturday, July 3, 1943, the hearing on the second deficiency appropriation bill, 1943, was concluded and the subcommittee adjourned subject to call.)

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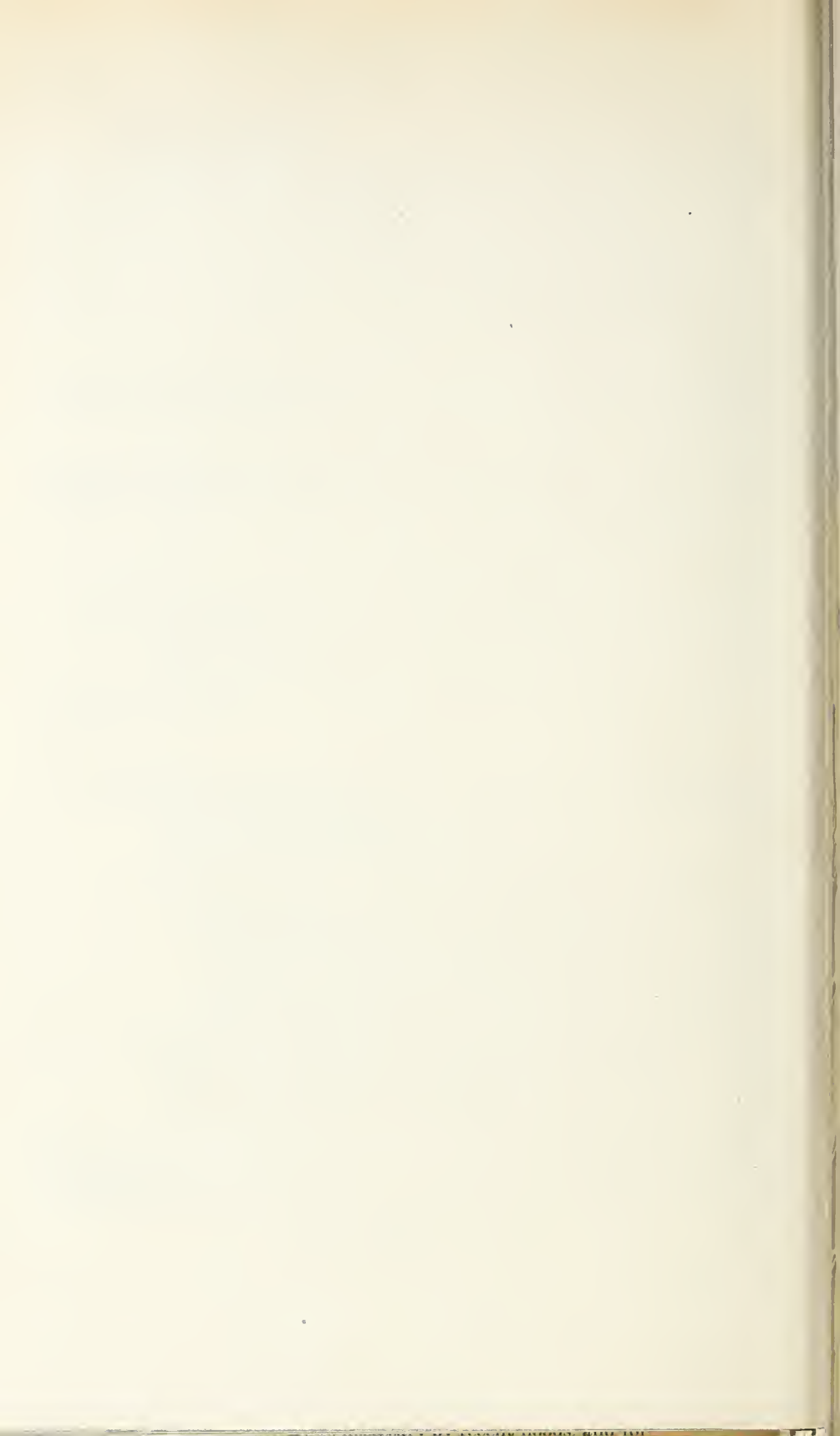
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SECOND DEFICIENCY APPROPRIATION BILL, 1943

JULY 3 (legislative day, MAY 24), 1943.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 3030]

The Committee on Appropriations, to whom was referred the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	\$36, 158, 760. 60
Increase by Senate	307, 501, 599. 12

Amount of bill as reported to Senate	343, 660, 359. 72
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The changes in the amounts of the House bill recommended by the committee are as follows:

INCREASES AND LIMITATIONS

Legislative:

Committee on Federal Expenditures	\$20, 000. 00
Government Printing Office:	
Working capital fund	17, 000, 000. 00

It is recommended by the committee that the amount available for the Federal Register for 1943 be increased from \$400,000 to \$430,000.

It is further recommended by the committee that the following paragraph be added to the bill:

For payment to Preston L. George, Bjarne J. Sigurdson, Harry E. Padgett, and Lester A. Wells, messengers on night duty during the first session of the Seventy-eighth Congress, \$600 each; in all \$2,400, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1943.

Total, legislative	17, 020, 000. 00
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Executive Office of the President:

National Resources Planning Board:	
Salaries and expenses-----	\$13, 000. 00

Bituminous Coal Consumers' Counsel:

Salaries and expenses-----	65, 000. 00
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Federal Security Agency:

War area child care (national defense):	
Payments to States-----	20, 000. 000. 00
Administrative expenses-----	450, 000. 00

Total, Federal Security Agency-----	20, 450, 000. 00
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Federal Works Agency:

War public works (community facilities)-----	75, 000. 000. 00
Public Roads Administration:	
Inter-American Highway (Costa Rica)-----	12, 000. 000. 00

Total, Federal Works Agency-----	87, 000, 000. 00
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National Housing Agency:

War housing-----	150, 000, 000. 00
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It is recommended by the committee that the following paragraph be added to the bill:

Not exceeding \$7,000,000 of the unexpended balance of the appropriation made available until June 30, 1943, under the heading "Emergency fund for the President, defense housing", contained in the Third Supplemental National Defense Appropriation Act, 1942, is continued available until June 30, 1944.

Total, National Housing Agency---	150, 000, 000. 00
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District of Columbia:

St. Elizabeths Hospital:	
Care of indigent insane-----	68, 000. 00
Judgments-----	2, 916. 86

Total, District of Columbia-----	70, 916. 86
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Department of Commerce:

Office of Administrator of Civil Aeronautics:	
Development of civil landing areas-----	8, 832, 000. 00

Department of the Interior:

Bituminous Coal Division:	
Salaries and expenses-----	1, 100, 000. 00
National Park Service:	
Patriek Henry National Monument-----	25, 000. 00

Total, Department of the Interior-----	1, 125, 000. 00
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Navy Department:

Collision damage claims, naval vessels.....	\$8, 977. 32
Claims for damages operation of Coast Guard vessels....	142. 70
Total, Navy Department.....	9, 120. 02

Treasury Department:

Bureau of Accounts:	
Salaries and expenses, deposits of withheld taxes....	800, 000. 00

War Department:

Rivers and harbors.....	7, 095, 000. 00
This amount is necessary to complete the authorized work on the Gulf Intracoastal Waterway, between Carrabelle, Fla., and Corpus Christi, Tex.	
Flood control, general.....	4, 385, 000. 00
This amount is for the prosecution of a dam and reservoir project on Mosquito Creek, Ohio.	
Flood control, general (emergency fund).....	10, 000, 000. 00
This amount is for repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods.	

Total, War Department..... 21, 480, 000. 00

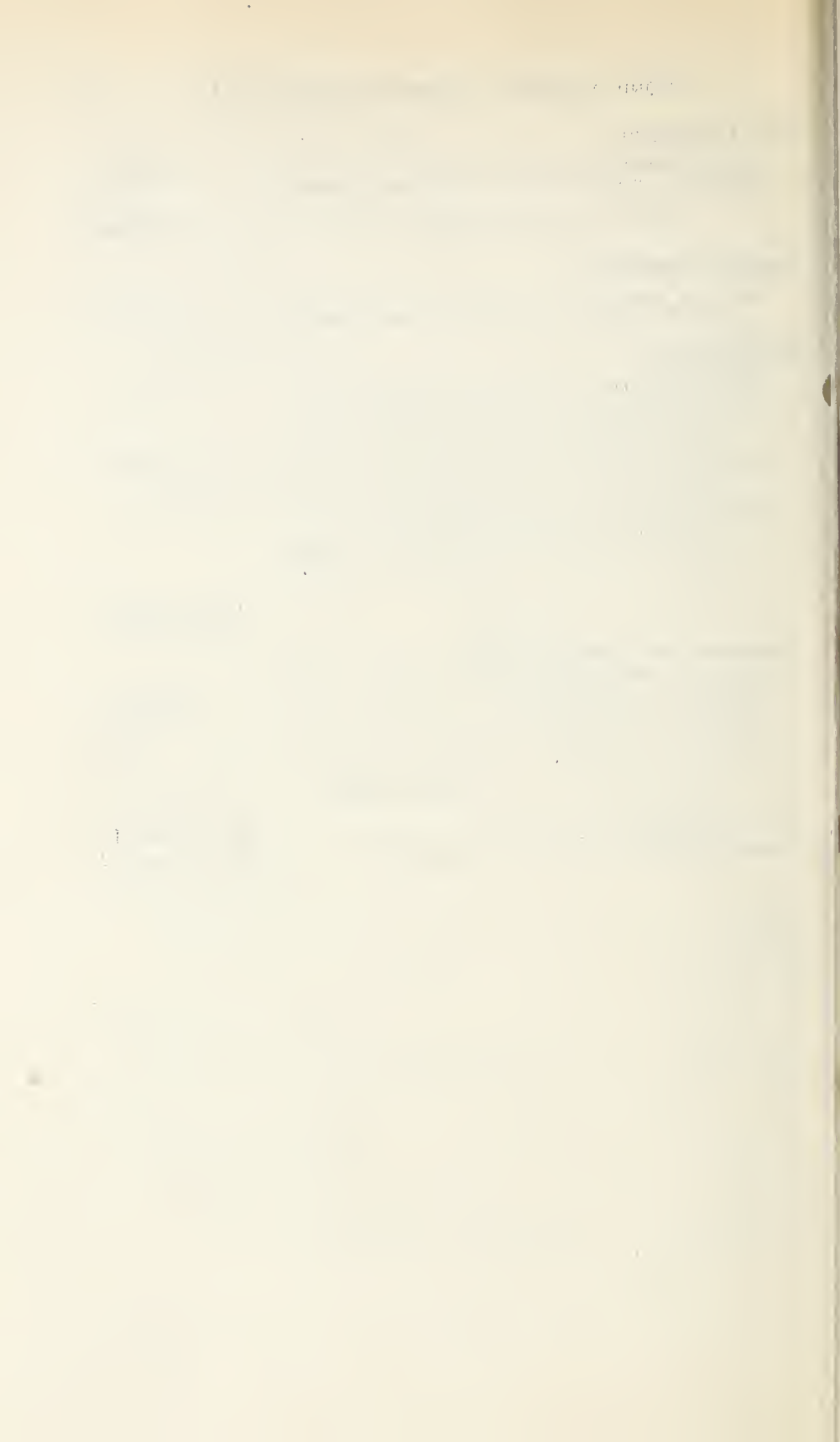
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Total, judgments and authorized claims..... 636, 562. 24

Total increase..... 307, 501, 599. 12
Amount of bill as reported to the Senate..... 343, 660, 359. 72





Calendar No. 397

78TH CONGRESS
1ST SESSION

H. R. 3030

[Report No. 336]

IN THE SENATE OF THE UNITED STATES

JUNE 25 (legislative day, MAY 24), 1943

Read twice and referred to the Committee on Appropriations

JULY 3 (legislative day, MAY 24), 1943

Reported by Mr. McKELLAR, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply defi-
5 ciencies in certain appropriations for the fiscal year ending
6 June 30, 1943, and for prior fiscal years, to provide sup-
7 plemental appropriations for the fiscal year ending June 30,
8 1944, and for other purposes:

1 TITLE I—GENERAL APPROPRIATIONS

2 LEGISLATIVE

3 HOUSE OF REPRESENTATIVES

4 For payment to the widow of Harry L. Englebright, late
5 a Representative from the State of California, \$10,000.

6 For payment to the widow of U. S. Guyer, late a Repre-
7 sentative from the State of Kansas, \$10,000.

8 The two foregoing amounts to be disbursed by the Ser-
9 geant at Arms of the House.

10 COMMITTEE ON FEDERAL EXPENDITURES

11 *For an amount, which is hereby authorized, to enable*
12 *the Joint Committee on Reduction of Nonessential Federal*
13 *Expenditures to carry out the duties imposed upon it by*
14 *section 601 of the Revenue Act of 1941 (55 Stat. 726), to*
15 *remain available during the existence of the committee,*
16 *\$10,000; to enable the committee to perform the additional*
17 *duties required of it by section 204 of the Treasury and Post*
18 *Office Departments Appropriation Act, 1944, approved June*
19 *30, 1943, \$10,000, in all, \$20,000, one-half to be disbursed*
20 *by the Secretary of the Senate and the other half by the Clerk*
21 *of the House on vouchers approved by the chairman of the*
22 *committee.*

23 ARCHITECT OF THE CAPITOL

24 Capitol Buildings and Grounds: The unexpended bal-

1 ance on June 30, 1943, of the allocation of \$39,240 made
 2 available immediately under the appropriation for the Capitol
 3 Grounds, contained in the Legislative Branch Appropria-
 4 tion Act, 1943, is hereby continued available for the same
 5 purposes until June 30, 1944.

6 GOVERNMENT PRINTING OFFICE

7 *Working capital and congressional printing and binding:*
 8 *For an additional amount for working capital and congres-*
 9 *sional printing and binding, fiscal year 1944, \$17,000,000:*
 10 *Provided, That this amount shall be returned to the Treasury*
 11 *as an unexpended balance not later than twelve months after*
 12 *the close of the fiscal year 1944.*

13 *Working capital and congressional printing and binding*
 14 *1943: The amount available for the printing, binding, and*
 15 *distribution of the Federal Register is hereby increased to*
 16 *\$430,000 for the fiscal year 1943: Provided, That no in-*
 17 *crease is thereby made in the existing appropriation for*
 18 *working capital and congressional printing and binding.*

19 *For payment to Preston L. George, Bjarne J. Sigurdson,*
 20 *Harry E. Padgett, and Lester A. Wells, messengers on night*
 21 *duty during the first session of the Seventy-eighth Congress,*
 22 *\$600 each; in all, \$2,400, to be paid from the appropriation*
 23 *for printing and binding for Congress for the fiscal year*
 24 *1943.*

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL RESOURCES PLANNING BOARD

For an additional amount for salaries and expenses, fiscal year 1944, including the objects and under the conditions specified under this head in the Independent Offices Appropriation Act, 1944, ~~\$29,500~~ \$42,500 to be merged with the amount in such Act; and of such consolidated sum not less than \$42,500 shall be allocated exclusively for the payment of accumulated and accrued annual leave of employees due them after June 30, 1943, and not more than ~~\$37,000~~ \$50,000 shall be available for all other salaries and expenses.

INDEPENDENT EXECUTIVE AGENCIES

BITUMINOUS COAL CONSUMERS' COUNSEL

Salaries and expenses: For the Office of the Bituminous Coal Consumers' Counsel, in carrying out the functions thereof as created by the Bituminous Coal Act of 1937, as amended (15 U. S. C. 849 and 852), as further amended by the Act of May 21, 1943 (Public Law 53), and as further amended, to be supplemental to and merged with the appropriation under this head in the Urgent Deficiency Appropriation Act, 1943, and to be available for the same objects of expenditure, fiscal year 1944, \$65,000: Provided, That this appropriation shall not be available for obligation unless and until there shall have

1 *been enacted an extension of said Act for a period beyond*
 2 *August 24, 1943.*

3 CIVIL SERVICE COMMISSION

4 Salaries and expenses, Civil Service Commission (na-
 5 tional defense) : For an additional amount for salaries and
 6 expenses, Civil Service Commission, national defense, fiscal
 7 year 1944, including the objects specified under this head in
 8 the Independent Offices Appropriation Act, 1944, \$325,000.

9 EMPLOYEES' COMPENSATION COMMISSION

10 Employees' compensation fund: For an additional
 11 amount, fiscal year 1943, for the payment of compensation
 12 provided by the act of September 7, 1916 (5 U. S. C. 785),
 13 as amended, including the objects specified under this head
 14 in the Employees' Compensation Commission Appropriation
 15 Act, 1943, \$500,000.

16 FEDERAL SECURITY AGENCY

17 *War-area child-care (national defense) : For payments*
 18 *to States, local public authorities, and nonprofit private agen-*
 19 *cies as provided by Public Numbered — (S. 1130, Seventy-*
 20 *eight Congress), for expenditure in accordance with State*
 21 *plans, submitted and approved as provided in that Act, for*
 22 *day care and extended school services for children of mothers*
 23 *employed in industries essential to the prosecution of the war,*
 24 *fiscal year 1944, \$20,000,000.*

15 *The sums appropriated in the two preceding paragraphs*
16 *shall not be available for obligation until the enactment of*
17 *the bill (S. 1130 of the Seventy-eighth Congress) entitled*
18 *“An Act to provide for care of children of mothers employed*
19 *in war areas in the United States, and for other purposes.”*

21 *War public works (community facilities): For an addi-*
22 *tional amount to enable the Federal Works Administrator*
23 *to carry out the functions vested in him by titles II and III*
24 *of the Act of October 14, 1940, as amended (42 U. S. C.*
25 *1531-1534, and 1541), \$75,000,000, to remain available*

1 during the continuance of the unlimited national emergency
 2 declared by the President on May 27, 1941, of which amount
 3 not to exceed \$3,375,000 shall be available for administrative
 4 expenses, including the objects specified under the head "De-
 5 fense public works (community facilities)" in the Second
 6 Deficiency Appropriation Act, 1941, and the Joint resolu-
 7 tion approved December 23, 1941 (Public Law 371): Pro-
 8 vided, That the amount appropriated in this paragraph shall
 9 not be available for obligation until the enactment of the bill
 10 (H. R. 2936 of the Seventy-eighth Congress) entitled "An
 11 Act to authorize the appropriation of an additional
 12 \$200,000,000 to carry out the provisions of title II of the
 13 Act entitled 'An Act to expedite the provision of housing in
 14 connection with national defense, and for other purposes',
 15 approved October 14, 1940, as amended."

16 Public Roads Administration, Inter-American Highway
 17 (Costa Rica): For surveys and construction of the Inter-
 18 American Highway (provided for by the Act of December
 19 26, 1941 (Public Law 375), but without regard to the pro-
 20 visions thereof), within the borders of the Republic of Costa
 21 Rica between Cartago and San Isidro del General, and nec-
 22 essary expenses incident thereto, without regard to section
 23 3709, Revised Statutes, \$12,000,000, to remain available
 24 until expended.

25 Work Projects Administration liquidation: Not to ex-

1 ceed \$1,065,000, out of balances of appropriations under sec-
2 tion 1 (a) of the Emergency Relief Appropriation Act, fiscal
3 year 1943, which remain unobligated on June 30, 1943, is
4 hereby made available to the Administrator, Federal Works
5 Agency, during the fiscal year 1944 for all necessary ex-
6 penses for the liquidation of the Work Projects Administra-
7 tion, including personal services and rents in the District of
8 Columbia and elsewhere; printing and binding; operation
9 and maintenance of motor-propelled passenger-carrying vehi-
10 cles; and not less than \$583,632 of such sum shall be allo-
11 cated exclusively for payment for accumulated and current
12 accrued leave of employees separated from the Government
13 service due to the discontinuance of the Work Projects
14 Administration: *Provided*, That employees of the Work
15 Projects Administration in leave status and in active duty
16 status on June 30, 1943, may, in the discretion of the
17 Administrator, be transferred to and paid from this appro-
18 priation without the necessity of further appointment.

19 In carrying out the liquidation of the activities under
20 the Emergency Relief Appropriation Acts, fiscal years 1942
21 and 1943, accounts shall be maintained without regard to
22 the limitations established by said Acts and without regard
23 to project allocations: *Provided*, That the appropriations
24 established and extended for the completion of Federal con-
25 struction projects under the provisions of the Emergency

1 Relief Appropriation Act, fiscal year 1943, shall be liqui-
2 dated and accounted for as one fund: *Provided further*, That
3 all credits subsequent to June 30, 1943, representing repay-
4 ments or recoveries on account of funds disbursed out of
5 amounts allocated or made available pursuant to any of the
6 provisions of law referred to in this paragraph, shall be cov-
7 ered into the Treasury as miscellaneous receipts, together
8 with such balances as the Administrator may from time to
9 time determine to be no longer required to meet obligations.

10 The provisions of section 501 of the Third Supplemental
11 National Defense Appropriation Act, 1942, approved De-
12 cember 17, 1941, shall be applicable to appropriations under
13 the Emergency Relief Appropriation Act, fiscal year 1941,
14 and there shall be transferred to the "Emergency relief liq-
15 uidation fund" from appropriations under the Emergency
16 Relief Appropriation Act, fiscal year 1941, sufficient amounts
17 to meet unliquidated obligations incurred thereunder: *Pro-*
18 *vided*, That claims certified for payment by the Comptroller
19 General of the United States, chargeable to the "Emergency
20 relief liquidation fund", shall be paid without regard to proj-
21 ect allocations.

22 The Federal Works Administrator, or his designee for
23 such purpose, is authorized to consider, ascertain, adjust, de-
24 termine, and pay from the foregoing appropriation any claim

1 on account of damage to or loss of privately owned property
2 caused by the negligence of any employee of the Works Prog-
3 ress Administration or the Work Projects Administration
4 while acting within the scope of his employment. No claim
5 shall be considered hereunder which is in excess of \$500, or
6 which is not presented in writing within one year from the
7 date of accrual thereof. Acceptance by a claimant of the
8 amount allowed on account of his claim shall be deemed to
9 be in full settlement thereof, and the action upon such claim
10 so accepted by the claimant shall be conclusive.

11 Work relief in Puerto Rico and the Virgin Islands:
12 To enable the Federal Works Administrator to carry out
13 the provisions of the joint resolution (H. J. Res. 128) entitled
14 "Joint resolution to authorize an appropriation for work
15 relief in Puerto Rico and the Virgin Islands", approved
16 June 22, 1943, during the period beginning July 1, 1943,
17 and ending November 30, 1943, \$7,000,000, of which not
18 to exceed \$350,000 shall be available for administrative
19 expenses, including the items of expenditure specified in
20 section 14 of the Emergency Relief Appropriation Act,
21 fiscal year 1943: *Provided*, That employees of the Work
22 Projects Administration in active duty status on June 30,
23 1943, may, in the discretion of the Federal Works Admin-
24 istrator, be transferred to and paid from this appropriation
25 without the necessity of further appointment.

NATIONAL HOUSING AGENCY

1
2 *War housing: For an additional amount to carry out*
3 *the purposes of title I of the Act of October 14, 1940 (42*
4 *U. S. C., ch. 9), as amended, and subject to the applicable*
5 *provisions of the joint resolution approved October 14, 1940*
6 *(54 Stat. 1115), \$150,000,000, to remain available during*
7 *the continuance of the unlimited national emergency declared*
8 *by the President on May 27, 1941: Provided, That the amount*
9 *appropriated in this paragraph shall not be available for*
10 *obligation until the date of enactment of legislation authoriz-*
11 *ing the appropriation of such additional funds.*

12 *Not exceeding \$7,000,000 of the unexpended balance of*
13 *the appropriation made available until June 30, 1943, under*
14 *the heading "Emergency fund for the President, defense hous-*
15 *ing", contained in the Third Supplemental National Defense*
16 *Appropriation Act, 1942, is continued available until June*
17 *30, 1944.*

DISTRICT OF COLUMBIA

PUBLIC WELFARE

20 *Saint Elizabeths Hospital: For an additional amount*
21 *for support of indigent insane of the District of Columbia in*
22 *Saint Elizabeths Hospital, as provided by law, fiscal year*
23 *1943, \$68,000.*

JUDGMENTS

25 *For the payment of final judgments, including costs,*

1 rendered against the District of Columbia, as set forth in
 2 Senate Document Numbered 90, together with such further
 3 sum as may be necessary to pay the interest at not exceeding
 4 4 per centum per annum on such judgments, as provided by
 5 law, from the date the same became due until the date of
 6 payment, \$2,916.86.

7 DIVISION OF EXPENSES

8 The foregoing sums for the District of Columbia, unless
 9 otherwise therein specifically provided, shall be paid out of
 10 the revenues of the District of Columbia and the Treasury of
 11 the United States in the manner prescribed by the District of
 12 Columbia Appropriation Acts for the respective fiscal years
 13 for which such sums are provided.

14 DEPARTMENT OF COMMERCE

15 OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

16 Development of civil landing areas: For completion of
 17 landing area construction previously undertaken by the Work
 18 Projects Administration at public airports, including all nec-
 19 essary engineering and administrative expenses in the field,
 20 \$8,832,000, to remain available until expended: Provided,
 21 That this appropriation shall not be construed as precluding
 22 the use of other appropriations available for any of the pur-
 23 poses for which this appropriation is made: Provided further,
 24 That any or all of the foregoing appropriation of \$8,832,000
 25 may be transferred to any other Federal agency organized

1 *to undertake the work herein provided for either by contract*
2 *or by force account, and such agency is authorized to proceed*
3 *with such work.*

4 *INTERIOR DEPARTMENT*

5 *OFFICE OF THE SECRETARY*

6 *BITUMINOUS COAL DIVISION*

7 *For the Bituminous Coal Division, in carrying out the*
8 *purposes of the Bituminous Coal Act of 1937, as amended*
9 *(15 U. S. C. 828-849), as further amended by the Act of*
10 *May 21, 1943 (Public Law 53), and as further amended, to*
11 *be supplemental to and merged with the appropriation under*
12 *this head in the Urgent Deficiency Appropriation Act, 1943,*
13 *and to be available for the same objects of expenditure, includ-*
14 *ing not to exceed \$1,000 for the maintenance, operation, and*
15 *repair of motor-propelled passenger-carrying vehicles, and not*
16 *to exceed \$500 for the purchase and exchange of newspapers,*
17 *lawbooks, reference books, and periodicals, fiscal year 1944,*
18 *\$1,100,000: Provided, That this appropriation shall not be*
19 *available unless and until there shall have been enacted an*
20 *extension of said Act for a period beyond August 24, 1943.*

21 *NATIONAL PARK SERVICE*

22 *Patrick Henry National Monument: For completion of*
23 *the acquisition of the estate of Patrick Henry in Charlotte*
24 *County, Virginia, known as Red Hill, and including all*
25 *expenses incidental to such acquisition, to be known as the*

1 *Patrick Henry National Monument, in accordance with the*
 2 *provisions of the Acts of August 15, 1935 (49 Stat. 652),*
 3 *and January 29, 1940 (54 Stat. 18), fiscal year 1944,*
 4 *\$25,000.*

NAVY DEPARTMENT

OFFICE OF THE SECRETARY

7 Claims for damages by collision with naval vessels: To
 8 pay claims for damages adjusted and determined by the
 9 Secretary of the Navy under the provisions of the Act
 10 entitled "An Act to amend the Act authorizing the Secre-
 11 tary of the Navy to settle claims for damages to private
 12 property arising from collisions with naval vessels", approved
 13 December 28, 1922, as fully set forth in *Senate Document*
 14 *Numbered 82, and House Document Numbered 230, Sev-*
 15 *enty-eighth Congress, ~~\$10,628.05~~ \$19,605.37.*

COAST GUARD

17 Claims for damages, operation of vessels, Coast Guard:
 18 To pay claims for damages adjusted and determined by the
 19 Secretary of the Navy under the provisions of the Act entitled
 20 "An Act to provide for the adjustment and settlement of
 21 certain claims for damages resulting from the operation of
 22 vessels of the Coast Guard and the Public Health Service,
 23 in sums not exceeding \$3,000 in any one case", approved
 24 June 15, 1936, as fully set forth in *Senate Document*

1 *Numbered 81, and House Document Numbered 226,*
2 *Seventy-eighth Congress, ~~\$882.88~~ \$1,025.58.*

3 POST OFFICE DEPARTMENT

4 (OUT OF THE POSTAL REVENUES)

5 FIELD SERVICE

6 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

7 Compensation to postmasters: For an additional amount
8 for compensation to postmasters, fiscal year 1943, including
9 the objects specified under this head in the Post Office De-
10 partment Appropriation Act, 1943, \$1,875,000.

11 Clerks, first- and second-class post offices: For an addi-
12 tional amount for compensation to clerks and employees at
13 first- and second-class post offices, fiscal year 1943, including
14 the objects specified under this head in the Post Office De-
15 partment Appropriation Act, 1943, \$11,750,000.

16 Special-delivery fees: For an additional amount for fees
17 to special-delivery messengers, fiscal year 1943, \$1,100,000.

18 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

19 Star Route Service: For an additional amount for inland
20 transportation by star routes (excepting service in Alaska),
21 including temporary service to newly established post offices,
22 fiscal year 1943, \$1,100,000.

23 Railroad transportation and mail-messenger service: For
24 an additional amount for inland transportation by railroad

1 routes and for mail-messenger service, fiscal year 1943, in-
2 cluding the objects specified under this head in the Post
3 Office Department Appropriation Act, 1943, \$4,500,000.

4 Railway postal clerks, travel allowance: For an addi-
5 tional amount for travel allowance to railway postal clerks
6 and substitute railway postal clerks, fiscal year 1943,
7 \$29,000.

8 Railway Mail Service, traveling expenses: For an addi-
9 tional amount for Railway Mail Service, traveling expenses,
10 fiscal year 1943, \$2,500.

11 Railway Mail Service, miscellaneous expenses: For an
12 additional amount for miscellaneous expenses, Railway Mail
13 Service, fiscal year 1943, including the objects specified
14 under this head in the Post Office Department Appropriation
15 Act, 1943, \$3,500.

16 Electric-car service: For an additional amount for elec-
17 tric-car service, fiscal year 1943, \$23,000.

18 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

19 Manufacture and distribution of stamps and stamped
20 paper: For an additional amount for the manufacture and
21 distribution of stamps and stamped paper, fiscal year 1943,
22 including the objects specified under this head in the Post
23 Office Department Appropriation Act, 1943, \$200,000.

24 Unpaid money orders more than one year old: For an
25 additional amount for payment of domestic money orders

1 more than one year old from the last day of the month of
 2 issue of such orders, fiscal year 1943, \$35,000.

3 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

4 Vehicle service: For an additional amount for vehicle
 5 service, fiscal year 1943, including the objects specified under
 6 this head in the Post Office Department Appropriation Act,
 7 1943, \$508,195.

8 TREASURY DEPARTMENT

9 OFFICE OF THE SECRETARY

10 To enable the Secretary of the Treasury, in accordance
 11 with the provisions of section 3 of the joint resolution ap-
 12 proved May 3, 1943 (Public Law 48), to pay to the Republic
 13 of Panama an amount equivalent to the principal and interest
 14 paid by that Government on account of the credit of \$2,500,-
 15 000 made available to it by the Export-Import Bank for the
 16 construction of Panama's share of the Chorrera-Rio Hato
 17 Highway, and to pay to the Export-Import Bank an amount
 18 sufficient to liquidate the remaining obligation of the Republic
 19 of Panama to that bank on account of the aforesaid credit,
 20 fiscal years 1943 and 1944, \$2,700,000.

21 BUREAU OF ACCOUNTS

22 *Salaries and expenses, deposit of withheld taxes: For*
 23 *all necessary expenses, fiscal year 1944, incident to the deposit*
 24 *of withheld taxes in Government depositories pursuant to the*

1 *Current Tax Payment Act of 1943, including personal serv-*
2 *ices in the District of Columbia and elsewhere; not to exceed*
3 *\$113,000 for printing and binding; and reimbursement to*
4 *Federal Reserve banks for printing and other necessary ex-*
5 *penses, \$800,000.*

PROCUREMENT DIVISION

7 Emergency relief, Treasury Procurement Division, ad-
8 ministrative expenses: For administrative expenses of the
9 Procurement Division, fiscal year 1944, to effect the liquida-
10 tion of the operations of said Division incident to the emer-
11 gency relief program, \$137,500.

Federal property utilization: For necessary expenses of the Procurement Division in connection with the transportation, handling, warehousing, safeguarding, rehabilitating, transferring to Government agencies, and otherwise disposing of supplies and equipment, including personal services in the District of Columbia and elsewhere, stationery (not to exceed \$35,000), purchase (including exchange) of books of reference and periodicals, printing and binding (not to exceed \$12,000), and advertising, fiscal year 1944, \$3,250,000.

WAR DEPARTMENT

CIVIL FUNCTIONS

CORPS OF ENGINEERS

24 Rivers and harbors: For the preservation and mainte-
25 nance of existing river and harbor works, and for the

1 prosecution of projects heretofore authorized, including the
 2 objects and purposes and subject to the conditions specified
 3 under this head in the War Department Civil Appropria-
 4 tion Act, 1944, to be available until expended, \$7,095,000.

5 *Flood control, general: For the prosecution of a dam and*
 6 *reservoir project on Mosquito Creek, Ohio, authorized by*
 7 *the Acts of June 28, 1938, and August 18, 1941, \$4,385,000.*

8 *Flood control, general (emergency fund): For the repair,*
 9 *restoration, and strengthening of levees and other flood-control*
 10 *works which have been threatened or destroyed by the recent*
 11 *floods, in accordance with the first section of the Act entitled*
 12 *“An Act to provide for emergency flood-control work made*
 13 *necessary by recent floods, and for other purposes” (S. 1134.*
 14 *Seventy-eighth Congress), \$10,000,000, to remain available*
 15 *until expended.*

16 TITLE II—JUDGMENTS AND AUTHORIZED 17 CLAIMS

18 PROPERTY DAMAGE CLAIMS

19 SEC. 201. (a) For the payment of claims for damages
 20 to or losses of privately owned property adjusted and deter-
 21 mined by the following respective departments and independ-
 22 ent offices, under the provisions of the Act entitled “An
 23 Act to provide a method for the settlement of claims arising
 24 against the Government of the United States in the sums
 25 not exceeding \$1,000 in any one case”, approved December

1 28, 1922 (31 U. S. C. 215), as fully set forth in House
 2 Document Numbered 233, Seventy-eighth Congress, as
 3 follows:

4 Executive Office of the President:

5 Office for Emergency Management, War Relocation
 6 Authority, \$73.51;

7 Petroleum Administration for War, \$34.10;

8 Federal Security Agency, \$294.44;

9 Federal Works Agency, \$1,972.28;

10 National Advisory Committee for Aeronautics, \$245.78;

11 Veterans' Administration, \$310.33;

12 Department of Agriculture, \$1,869.44;

13 Department of Commerce, \$517.29;

14 Department of the Interior, \$880.57;

15 Department of Justice, \$626.28;

16 Navy Department, \$9,361.14;

17 Treasury Department, \$480.97;

18 War Department, \$54,450.08;

19 In all, \$71,116.21.

20 (b) *For the payment of claims for damages to or*
 21 *losses of privately owned property adjusted and determined*
 22 *by the following respective departments and independent*
 23 *offices, under the provisions of the Act entitled "An Act to*
 24 *provide a method for the settlement of claims arising against*
 25 *the Government of the United States in the sum not exceed-*

1 *ing \$1,000 in any one case*", approved December 28, 1922
 2 *(31 U. S. C. 215)*, as fully set forth in Senate Document
 3 *Numbered 83, Seventy-eighth Congress, as follows:*

4 *Federal Works Agency, \$2,313.67;*

5 *Department of Agriculture, \$92.40;*

6 *Department of Commerce, \$97.78;*

7 *Navy Department, \$3,651.10;*

8 *In all, \$6,154.95.*

9 JUDGMENTS, UNITED STATES COURTS

10 SEC. 202. (a) For the payment of the final judgments,
 11 including costs of suits, which have been rendered under the
 12 provisions of the Act of March 3, 1887, entitled "An Act to
 13 provide for the bringing of suits against the Government of
 14 the United States", as amended by section 297 of the Act
 15 of March 3, 1911 (28 U. S. C. 761), and which have been
 16 certified to the Seventy-eighth Congress in House Document
 17 Numbered 225 under the following agencies:

18 *Federal Works Agency (Work Projects Administra-*
 19 *tion), \$2,256.91;*

20 *War Department, \$9,068.35;*

21 *In all, \$11,325.26, together with such additional sum as*
 22 *may be necessary to pay costs and interest as specified in*
 23 *such judgments or as provided by law.*

24 *(b) For the payment of judgments, including cost of*
 25 *suits, rendered against the Government of the United States*

1 by United States district courts under the provisions of an
 2 Act entitled "An Act authorizing suits against the United
 3 States in admiralty for damages caused by and salvage
 4 services rendered to public vessels belonging to the United
 5 States, and for other purposes", approved March 3, 1925
 6 (46 U. S. C., 781-789), and which was certified to the
 7 Seventy-eighth Congress in Senate Document Numbered 80
 8 under the Navy Department, \$6,688.72, together with such
 9 additional sum as may be necessary to pay costs and interest
 10 as and where specified in such judgments or as provided
 11 by law.

12 (c) For payment of the judgments rendered against the
 13 United States by the United States District Court for the
 14 Western District of North Carolina, Charlotte Division,
 15 pursuant to the law entitled "Conferring jurisdiction upon
 16 the United States District Court for the Western District
 17 of North Carolina to hear, determine, and render judgments
 18 upon the claims against the United States of I. M. Cook,
 19 J. J. Allen, Radiator Specialty Company, and the R. and
 20 W. Motor Lines, Incorporated", approved October 14,
 21 1941 (55 Stat. 958), and certified to the Seventy-eighth
 22 Congress in Senate Document Numbered 78 under the
 23 Federal Works Agency, Work Projects Administration,
 24 \$19,864.80.

25 ~~(b)~~ (d) None of the judgments contained under this cap-

tion shall be paid until the right of appeal shall have expired except such as have become final and conclusive against the United States by failure of the parties to appeal or otherwise.

~~(c)~~ (e) Payment of interest wherever provided for judgments contained in this Act shall not in any case continue for more than thirty days after the date of approval of this Act.

JUDGMENTS, UNITED STATES COURT OF CLAIMS

SEC. 203. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-eighth Congress in *Senate Document Numbered 79 and House Document Numbered 229*, under the following agencies, namely:

Federal Works Agency:

Public Buildings Administration, ~~\$64,269.62~~ \$100,393.28;

Work Projects Administration, \$11,089.72;

National Housing Agency: Federal Public Housing Authority, \$4,500;

Veterans' Administration, \$1,293.13;

Department of Commerce, \$1,409.04;

Department of the Interior (civil), \$12,780.52;

Department of Justice, \$369.47;

Navy Department, \$2,828.58;

Post Office Department, ~~\$364,423.43~~;

Treasury Department, ~~\$2,622.42~~ \$71,986.31;

1 War Department, ~~\$132,709.28~~ \$147,991.38;

2 In all, ~~\$232,578.66~~ \$719,064.86, together with such
3 additional sum as may be necessary to pay interest or costs
4 as and where specified in such judgments.

5 (b) For the payment of judgment numbered 45047,
6 rendered by the Court of Claims in favor of Herman E. Osann
7 covering a claim under the Exchange Relief Act of March
8 26, 1934, as certified to the Seventy-eighth Congress in
9 House Document Numbered 228, \$3,784.64, to be paid
10 from the administrative expense fund. Office of Alien Prop-
11 erty Custodian.

12 (c) None of the judgments contained under this caption
13 shall be paid until the right of appeal shall have expired,
14 except such as have become final and conclusive against the
15 United States by failure of the parties to appeal or otherwise.

16 AUDITED CLAIMS

17 SEC. 204. (a) For the payment of the following claims,
18 certified to be due by the General Accounting Office under
19 appropriations the balances of which have been carried to
20 the surplus fund under the provisions of section 5 of the
21 Act of June 20, 1874 (31 U. S. C. 713), and under appro-
22 priations heretofore treated as permanent, being for the
23 service of the fiscal year 1940 and prior years, unless other-
24 wise stated, and which have been certified to Congress under
25 section 2 of the Act of July 7, 1884 (5 U. S. C. 266), as

1 fully set forth in House Document Numbered 232, Seventy-
2 eighth Congress, there is appropriated as follows:

3 **The Judiciary:** For fees of jurors and witnesses, United
4 States courts, \$111.40.

5 For fees of commissioners, United States courts, \$256.79.

6 For miscellaneous expenses, United States courts, \$6.43.

7 For fees and expenses of conciliation commissioners,
8 United States courts, \$100.

9 **Independent Offices:** For American Battle Monuments
10 Commission, \$2.73.

11 For salaries and expenses, Railroad Retirement Board,
12 \$13.10.

13 For Securities and Exchange Commission, \$17.10.

14 For Saint Elizabeths Hospital, 78 cents.

15 For salaries and expenses, vocational rehabilitation,
16 Office of Education, \$2.

17 For National Industrial Recovery, Federal Emergency
18 Administration of Public Works, \$25.15.

19 For operating supplies for public buildings, Public Build-
20 ings Administration, 82 cents.

21 For general administrative expenses, Public Buildings
22 Branch, Procurement Division, \$2.50.

23 For general administrative expenses, Public Buildings
24 Administration, \$1.50.

1 For repair, preservation, and equipment, public build-
2 ings, Procurement Division, \$256.36.

3 For repair, preservation, and equipment, Public Build-
4 ings Administration, \$208.

5 For administrative expenses, Federal Housing Adminis-
6 tration, \$7.10.

7 For administrative expenses, United States Housing
8 Authority, Federal Public Housing Authority, \$24.87.

9 For salaries and expenses, Veterans' Administration,
10 \$1,311.71.

11 For salaries and expenses, Veterans' Bureau, \$5.20.

12 For salaries and expenses, Bureau of War Risk Insur-
13 ance, \$4.20.

14 **Department of Agriculture:** For salaries and expenses,
15 library, Department of Agriculture, \$38.37.

16 For salaries and expenses, Bureau of Animal Industry,
17 \$381.80.

18 For salaries and expenses, Soil Conservation Service,
19 \$4,038.50.

20 For salaries and expenses, Forest Service, \$2.26.

21 For salaries and expenses, Agricultural Marketing Serv-
22 ice, \$42.08.

23 For National Industrial Recovery, Resettlement Admin-
24 istration, submarginal lands (transfer to Agriculture), \$4.

1 For development of water facilities, arid and semiarid
2 areas, Department of Agriculture, \$8.12.

3 For acquisition of lands for protection of watersheds of
4 navigable streams, \$356.

5 For control of emergency outbreaks of insect pests and
6 plant diseases, \$610.37.

7 For exportation and domestic consumption of agricul-
8 tural commodities, Department of Agriculture, \$45.49.

9 For exportation and domestic consumption of agricul-
10 tural commodities, Department of Agriculture (transfer to
11 Federal Surplus Commodities Corporation), \$732.39.

12 For retirement of cotton pool participation trust certifi-
13 cates, Department of Agriculture, \$5.31.

14 For administration of Sugar Act of 1937, Department of
15 Agriculture, \$40.75.

16 For conservation and use of agricultural land resources,
17 Department of Agriculture, \$7,063.97.

18 For farm tenancy, Department of Agriculture, \$1,348.80.

19 For submarginal land program, Farm Tenant Act, De-
20 partment of Agriculture, \$1,695.

21 For land utilization and retirement of submarginal land,
22 Department of Agriculture, \$871.60.

23 For liquidation and management of resettlement projects,
24 Department of Agriculture, \$5.20.

1 For salaries and expenses, Farm Credit Administration,
2 \$2.50.

3 For salaries and expenses, Farm Credit Administration.
4 Department of Agriculture, 75 cents.

5 For farmers' crop production and harvesting loans, Farm
6 Credit Administration, \$21.57.

7 For loans to farmers in drought- and storm-stricken areas,
8 emergency relief, \$32.26.

9 For New England hurricane damage, Forest Service,
10 \$8.82.

11 **Department of Commerce:** For establishment of air-
12 navigation facilities, Civil Aeronautics Authority, \$16,137.41.

13 For salaries and expenses, Civil Aeronautics Authority,
14 \$2,308.78.

15 For maintenance of air-navigation facilities, Civil Aero-
16 nautics Authority, \$1.

17 For salaries and expenses, Weather Bureau, \$134.64.

18 For traveling expenses, Department of Commerce,
19 \$1.35.

20 **Department of the Interior:** For Geological Survey,
21 \$1.12.

22 For investigation of domestic sources of mineral supply,
23 Bureau of Mines, \$78.70.

24 For migratory bird conservation fund, Department of the
25 Interior (receipt limitation), \$1,433.06.

1 For salaries and expenses, Bureau of Biological Survey,
2 \$2.12.

3 For National Industrial Recovery, Interior, National
4 Park Service, recreational demonstration projects, \$3.85.

5 For agriculture and stock raising among Indians, \$52.88.

6 For improvement of land records, Indian Service,
7 \$4,871.52.

8 For Indian boarding schools, \$116.07.

9 For Indian school support, \$11.46.

10 For purchase and transportation of Indian supplies.
11 \$3.01.

12 For conservation of health among Indians, \$81.29.

13 For emergency conservation fund (transfer from War to
14 Interior, Indians, Act June 19, 1934), \$254.07.

15 For Civilian Conservation Corps (transfer to Interior.
16 Indians), \$64.26.

17 **Department of Justice:** For contingent expenses, De-
18 partment of Justice, \$21.63.

19 For Federal jails and correctional institutions, main-
20 tenance, \$3.33.

21 For fees of witnesses, Department of Justice, \$83.20.

22 For miscellaneous expenses, United States courts (trans-
23 fer to Justice), \$222.03.

24 For general expenses, Immigration and Naturalization
25 Service, \$7.65.

1 For salaries, field service, Immigration and Naturaliza-
2 tion Service, \$4.16.

3 For salaries and expenses, Federal Bureau of Investiga-
4 tion, \$10.63.

5 For salaries and expenses of marshals, and so forth,
6 Department of Justice, \$35.17.

7 For traveling expenses, Department of Justice, \$1.30.

8 **Department of Labor:** For salaries and expenses, Divi-
9 sion of Labor Standards, Department of Labor, \$23.93.

10 **Navy Department:** For Naval Research Laboratory,
11 \$7,051.50.

12 For engineering, Bureau of Engineering, \$134,935.49.

13 For engineering, Navy, \$184,504.76.

14 For ordnance and ordnance stores, Navy, \$2,356.24.

15 For ordnance and ordnance stores, Bureau of Ordnance,
16 \$100.

17 For pay, subsistence, and transportation, Navy,
18 \$2,055.19.

19 For maintenance, Bureau of Supplies and Accounts,
20 \$815.33.

21 For general expenses, Lighthouse Service, \$5.67.

22 For foreign-service pay adjustment, appreciation of for-
23 eign currencies (Navy), \$16.33.

24 For payment to officers and employees of the United

1 States in foreign countries due to appreciation of foreign
2 currencies (Navy), \$23.50.

3 For Medical Department, Navy, \$2,825.

4 For pay and allowances, Coast Guard (Navy), \$16.10.

5 For rebuilding and repairing stations, and so forth, Coast
6 Guard (Navy), \$80.01.

7 For contingent expenses, Coast Guard (Navy), \$19.17.

8 For aviation, Navy, \$306,880.45.

9 For pay, Marine Corps, \$793.49.

10 For general expenses, Marine Corps, \$120.84.

11 For Naval Reserve, \$1.99.

12 **Post Office Department—Postal Service (out of the**
13 **postal revenues):** For clerks, first- and second-class post
14 offices, \$270.58.

15 For indemnities, domestic mail, \$56.13.

16 For rent, light, and fuel, \$5.

17 **Department of State:** For Lower Rio Grande flood
18 control, Department of State, \$32,302.72.

19 For office and living quarters' allowances, Foreign
20 Service, \$62.50.

21 For Second Inter-American Radio Conference, Santiago,
22 Chile, \$9.15.

23 **Treasury Department:** For payment to officers and
24 employees of the United States in foreign countries due to
25 appreciation of foreign currencies (Treasury), \$44.66.

- 1 For contingent expenses, Treasury Department, \$33.
- 2 For collecting the revenue from customs, \$159.76
- 3 For collecting the internal revenue, \$268.44.
- 4 **War Department:** For increase of compensation, Mili-
- 5 tary Establishment, \$17.63.
- 6 For pay, and so forth, of the Army, \$171.01.
- 7 For pay of the Army, \$3,047.48.
- 8 For travel, military and civil personnel, War Depart-
- 9 ment, \$23.26.
- 10 For travel of the Army, \$88.22.
- 11 For subsistence of the Army, \$11.51.
- 12 For clothing and equipage, Army, \$685.12.
- 13 For replacing clothing and equipage, \$330.21.
- 14 For Army transportation, \$246.24.
- 15 For barracks and quarters, Army, \$87.75.
- 16 For Air Corps, Army, \$33.75.
- 17 For National Guard, \$291.68.
- 18 For Organized Reserves, \$59.54.
- 19 For Reserve Officers' Training Corps, \$6.98.
- 20 For working fund, War, ordnance, \$4,482.80.
- 21 For cemeterial expenses, War Department, \$1.20.
- 22 For Civilian Conservation Corps (transfer to War),
- 23 \$6,552.01.
- 24 For emergency conservation fund (transfer to War, Act
- 25 June 19, 1934), \$178.56.

1 For emergency conservation fund (transfer to War, Act
2 March 31, 1933), \$72.17.

3 For emergency conservation work (transfer to War, Act
4 February 9, 1937), \$221.52.

5 For emergency conservation work (transfer to War,
6 Act June 22, 1936), \$54.68.

7 For loans and relief in stricken agricultural areas (trans-
8 fer from emergency conservation work to War, Act June 19,
9 1934), \$11.47.

10 **District of Columbia:** For Home for Aged and Infirm,
11 expenses, District of Columbia, \$5.49.

12 Total, audited claims, section 204 (a), \$738,176.55,
13 together with such additional sum due to increases in rates of
14 exchange as may be necessary to pay claims in the foreign
15 currency and interest as specified in certain of the settlements
16 of the General Accounting Office.

17 *SEC. 204. (b) For the payment of the following claims,*
18 *certified to be due by the General Accounting Office under*
19 *appropriations the balances of which have been carried to the*
20 *surplus fund under the provisions of section 5 of the Act of*
21 *June 20, 1874 (31 U. S. C. 713), and under appropriations*
22 *heretofore treated as permanent, being for the service of the*
23 *fiscal year 1940 and prior years, unless otherwise stated,*
24 *and which have been certified to Congress under section 2 of*
25 *the Act of July 7, 1884 (5 U. S. C. 266), as fully set forth*

1 in Senate Document Numbered 84, Seventy-eighth Congress,
2 there is appropriated as follows:

3 *The Judiciary: For fees and expenses of conciliation com-*
4 *missioners, United States courts, \$25.*

5 *Independent Offices: For Securities and Exchange Com-*
6 *mission, \$24.06.*

7 *For motor transport regulation, Interstate Commerce*
8 *Commission, \$44.13.*

9 *For salaries and expenses, Civil Service Commission,*
10 *\$47.14.*

11 *For administrative expenses, Public Works Administra-*
12 *tion, \$7.07.*

13 *For general administrative expenses, Public Buildings*
14 *Administration, \$72.80.*

15 *For operating supplies for public buildings, Public*
16 *Buildings Administration, \$497.31.*

17 *For salaries and expenses, Veterans' Administration,*
18 *\$119.20.*

19 *Department of Agriculture: For salaries and expenses,*
20 *Soil Conservation Service, \$20.55.*

21 *For salaries and expenses, Bureau of Animal Industry,*
22 *\$12.50.*

23 *For salaries and expenses, Bureau of Entomology and*
24 *Plant Quarantine, 50 cents.*

1 *For acquisition of lands for protection of watersheds of*
2 *navigable streams, \$550.*

3 *For salaries and expenses, Forest Service, \$3.65.*

4 *For exportation and domestic consumption of agricul-*
5 *tural commodities, Department of Agriculture (transfer to*
6 *Federal Surplus Commodities Corporation), \$380.89.*

7 *For conservation and use of agricultural land resources,*
8 *Department of Agriculture, \$325.64.*

9 *For land utilization and retirement of submarginal land,*
10 *Department of Agriculture, \$480.*

11 *For liquidation and management of resettlement projects,*
12 *Department of Agriculture, \$249.50.*

13 *For loans to farmers in drought- and storm-stricken*
14 *areas, emergency relief, \$23.27.*

15 *Department of Commerce: For Civil Aeronautics Au-*
16 *thority fund, \$6,920.*

17 *For establishment of air-navigation facilities, Civil Aero-*
18 *navitics Authority, \$1,737.50.*

19 *For increase of compensation, Department of Commerce,*
20 *\$69.50.*

21 *For salaries, Patent Office, \$1,248.34.*

22 *Department of the Interior: For migratory bird conser-*
23 *vation fund, Department of the Interior (receipt limitation),*
24 *\$288.40.*

25 *For Indian school support, \$93.*

- 1 *For purchase and transportation of Indian supplies,*
2 *\$23.71.*
- 3 *Department of Justice: For salaries and expenses, lands*
4 *Division, Department of Justice, \$15.*
- 5 *For salaries and expenses of marshals, and so forth,*
6 *Department of Justice, \$13.52.*
- 7 *Navy Department: For engineering, Bureau of Engi-*
8 *neering, \$29,254.*
- 9 *For rebuilding and repairing stations, and so forth,*
10 *Coast Guard, \$20.*
- 11 *For pay, subsistence, and transportation, Navy,*
12 *\$1,673.49.*
- 13 *For aviation, Navy, \$33,766.56.*
- 14 *For aviation 1938 contracts, Navy, \$585.60.*
- 15 *For miscellaneous expenses, Navy. \$1.35.*
- 16 *For maintenance, Bureau of Supplies and Accounts,*
17 *\$1.05.*
- 18 *For contingent expenses, Coast Guard (Navy), \$15.78.*
- 19 *For general expenses, Lighthouse Service, Coast Guard*
20 *(Navy), \$60.69.*
- 21 *Treasury Department: For collecting the internal revenue,*
22 *\$24.92.*
- 23 *War Department: For clothing and equipage, Army,*
24 *\$62.40.*
- 25 *For Signal Service of the Army, \$36,492.91.*

1 *For citizens' military training camps, \$1.62.*

2 *For travel of the Army, \$45.75.*

3 *For Army transportation, \$125.28.*

4 *For pay of the Army, \$7.18.*

5 *For increase of compensation, Military Establishment,*
6 *\$36.99.*

7 *For Civilian Conservation Corps (transfer to War),*
8 *\$1,676.49.*

9 *For emergency conservation fund (transfer to War, Act*
10 *March 31, 1933), \$37.30.*

11 *For emergency conservation fund (transfer to War, Act*
12 *June 19, 1934), \$40.61.*

13 *For loans and relief in stricken agricultural areas (trans-*
14 *fer from emergency conservation work to War, Act June 19,*
15 *1934), \$9.58.*

16 *For emergency conservation work (transfer to War, Act*
17 *February 9, 1937), \$20.16.*

18 *Total, audited claims, section 204 (b), \$117,251.89,*
19 *together with such additional sum due to increases in rates*
20 *of exchange as may be necessary to pay claims in the foreign*
21 *currency and interest as specified in certain of the settle-*
22 *ments of the General Accounting Office.*

23 SEC. 205. For the payment of claims allowed by the
24 General Accounting Office pursuant to the Act entitled "An
25 Act for the relief of officers and soldiers of the volunteer

1 service of the United States mustered into service for the
 2 War with Spain, and who were held in service in the
 3 Philippine Islands after the ratification of the treaty of peace,
 4 April 11, 1899", approved May 2, 1940 (Public Act Num-
 5 bered 505, Seventy-sixth Congress), and which have been
 6 certified to the Seventy-eighth Congress under section 2 of
 7 the Act of July 7, 1884 (U. S. C., title 5, sec. 266), under
 8 the War Department in *Senate Document Numbered 85*,
 9 and House Document Numbered 227, ~~\$5,857.99~~ \$5,973.67.

10 TITLE III—GENERAL PROVISIONS

11 SEC. 301. No part of any appropriation contained in this
 12 Act shall be used to pay the salary or wages of any person
 13 who advocates, or who is a member of an organization that
 14 advocates, the overthrow of the Government of the United
 15 States by force or violence: *Provided*, That for the purposes
 16 hereof an affidavit shall be considered prima facie evidence
 17 that the person making the affidavit does not advocate, and
 18 is not a member of an organization that advocates, the over-
 19 throw of the Government of the United States by force or
 20 violence: *Provided further*, That any person who advocates,
 21 or who is a member of an organization that advocates, the
 22 overthrow of the Government of the United States by force
 23 or violence and accepts employment the salary or wages for
 24 which are paid from any appropriation in this Act shall be
 25 guilty of a felony and, upon conviction, shall be fined not more

1 than \$1,000 or imprisoned for not more than one year, or
2 both: *Provided further*, That the above penalty clause shall
3 be in addition to, and not in substitution for, any other
4 provisions of existing law.

5 SEC. 302. The appropriations and authority with respect
6 to appropriations ~~contained herein~~ *in this Act in whole or*
7 *in part for the fiscal year 1944* shall be available from and
8 including July 1, 1943, for the purposes respectively
9 provided in such appropriations and authority. All obliga-
10 tions incurred during the period between June 30, 1943, and
11 the date of the enactment of this Act in anticipation of such
12 appropriations and authority are hereby ratified and con-
13 firmed if in accordance with the terms thereof.

14 SEC. 303. Appropriations contained in this Act may
15 be used to reimburse the emergency fund of the President
16 for advances made therefrom to meet obligations for pur-
17 poses for which the funds are provided in this Act and for
18 which purposes such appropriations are contained herein.

19 SEC. 304. This Act may be cited as the "Second Defi-
20 ciency Appropriation Act, 1943".

Passed the House of Representatives June 24, 1943.

Attest:

SOUTH TRIMBLE,

Clerk.

78TH CONGRESS
1ST SESSION

H. R. 3030

[Report No. 386]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

JUNE 25 (legislative day, May 24), 1943

Read twice and referred to the Committee on
Appropriations

JULY 3 (legislative day, May 24), 1943

Reported with amendments

Mr. LA FOLLETTE. There is no such thing under the Senate rules as reserving the right to object.

Mr. DANAHER. Mr. President, I do not want to be forced to object to the request of the Senator from Wisconsin, which is certainly a reasonable one. However, I respectfully point out to him that all the members of the Committee on Banking and Currency have been summoned to a special committee meeting to be held at 4 o'clock. Some of us are interested in the four bills which remain on the calendar. Therefore, Mr. President, I respectfully call to the attention of the Senator from Wisconsin that it would be agreeable, I am sure, if the Senator were granted a reasonably brief extension of his remarks. Unquestionably, we all desire to cooperate with him.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I be permitted to proceed for 5 additional minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DANAHER. I have no objection. Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I am sorry I cannot yield under the circumstances.

Mr. MALONEY. Mr. President, reserving the right to object—

Mr. LA FOLLETTE. I decline to yield. Mr. MALONEY. The Senator has just made a unanimous-consent request. I have a right to comment on it.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent of the Senator from Wisconsin?

Mr. MALONEY. Mr. President, reserving the right to object—

Mr. LA FOLLETTE. Mr. President, I yield the floor until I can have an opportunity to proceed, and then I shall complete what I have to say.

Mr. MALONEY. I have no desire to delay the Senator. I have no objection.

Mr. LA FOLLETTE. Mr. President, the bill will go over under objection.

The ACTING PRESIDENT pro tempore. The bill goes over on objection.

Mr. MALONEY. Mr. President, I should like to have the Senator from Wisconsin know that at the earliest opportunity I shall move to bring up the bill. I do that against my natural inclinations, but because of the great importance of the bill I feel I should do so.

While I have the floor let me say that insofar as community facilities are concerned, at least for the most part, the Committee on Agriculture and Forestry or the Committee on the Disposition of Executive Papers has as much right to jurisdiction as does the Committee on Education and Labor.

The questions with which the Senator from Wisconsin is concerned involve a small part of the bill. The others are extremely important.

Regarding the Senator's observation that there is a desire to give the State Boards of Education more control over State matters than is now proposed, I say to the Senator that in my judgment that is not the case, although I appre-

ciate his sincerity, that the purpose is to give the Office of Education, the Federal agency, greater control over these matters, and that such will be the result if the program the Committee on Education and Labor has in mind prevails.

USE OF PORTION OF CAPITOL GROUNDS FOR PARKING OF MOTOR VEHICLES

The bill (H. R. 3020) to authorize the use of part of the United States Capitol Grounds east of the Union Station for the parking of motor vehicles was announced as next in order.

Mr. BARKLEY. Mr. President, I should like to have the bill go over until I can look into it.

Mr. MALONEY. Mr. President, will the Senator withhold his objection until I can make an explanation of the bill? It is not my bill but it comes from the committee of which I am chairman.

Mr. BARKLEY. I withhold it, but I may renew it.

Mr. MALONEY. That is satisfactory, of course, and I merely desire to make a brief statement in regard to the bill, which has already passed the House of Representatives.

It provides that for the period of the war the Washington Terminal Co. shall be authorized to use a part of the Capitol Grounds adjoining the railroad station, the Union Station, for parking purposes. Such parking lands would be available to the public for passenger cars.

Mr. BARKLEY. Does that include the area between the Capitol and the station?

Mr. MALONEY. It includes a small area adjoining the station, but not land between the Capitol and the station.

Mr. BARKLEY. I should like to know definitely where the land is.

Mr. WALSH. Is it not undeveloped land between Massachusetts Avenue and the station on the other side of Massachusetts Avenue which is owned by the Government?

Mr. BARKLEY. I should have no objection if it is beyond Massachusetts Avenue, but if it contemplates the use of the area between the Capitol or the Senate Office Building and the front of the station, I should object.

Mr. MALONEY. I should like to say it will be done with the approval of the Architect of the Capitol, who recommended to the committee that the bill be passed.

Mr. TAFT. Mr. President, if the Senator will yield, the only land involved is the land which lies immediately east of the Union Station. I should not even call it a part of the Capitol Grounds. It is not only north of Massachusetts Avenue, but north of the next street, California Street, beyond Massachusetts Avenue. It is a parking lot, and I think in no place does it come south of the front of the Union Station. So it does not in any way involve what would be regarded as the Capitol Grounds.

Mr. BARKLEY. Under those circumstances I have no objection.

Mr. MALONEY. It is land which was owned originally by the terminal company.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill, H. R. 3020, was considered, ordered to a third reading, read the third time, and passed.

J. FRANK MEADOR

The Senate proceeded to consider the bill (H. R. 1334) for the relief of J. Frank Meador, which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the word "appropriated" to strike out:

And in full settlement of all claims against the Government of the United States, the sum of \$2,500 to J. Frank Meador, of Atlanta, Georgia, for personal injuries received as the result of being struck by a bicycle being operated by a special delivery messenger of the Atlanta post office on June 20, 1942.

And insert:

To J. Frank Meador, of Atlanta, Ga., (1) the sum of \$500 in a lump sum as soon as practicable after the date of enactment of this Act and (2) the sum of \$100 per month for each month beginning with the month in which this act is enacted and ending with the twentieth month for which such payments of \$100 are made or the month preceding the month of death of the said J. Frank Meador, whichever may be the earlier; the payment of such sums to be in full satisfaction of all claims against the United States for compensation for personal injuries sustained by the said J. Frank Meador as the result of having been struck by a bicycle operated by a special-delivery messenger of the Atlanta post office on June 20, 1942.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SECOND DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. Mr. President, from the Committee on Appropriations I report favorably, with amendments, the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, and I submit a report (No. 386) thereon. A little later I should like to call it up and have it considered, if I may. It is the last appropriation bill.

The ACTING PRESIDENT pro tempore. The bill will be placed on the calendar.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. RUSSELL. Mr. President, may I ask the Chair to lay before the Senate the message from the House of Representatives with regard to the amendments of the Senate numbered 98 and 99 to the agricultural appropriation bill?

Mr. BARKLEY. Mr. President, does the Senator from Georgia contemplate making a motion now?

Mr. RUSSELL. I do.

Mr. BARKLEY. There are only three or four more bills on the calendar. Some of us have to go to the Committee on

Banking and Currency, and I hope that we may be able to finish the calendar.

Mr. RUSSELL. I have no idea how long the remaining bills on the calendar may take, and I have been waiting for about 2 hours to have action taken relating to the agricultural appropriation bill.

Mr. BARKLEY. I do not think it will take 5 minutes to conclude the consideration of the calendar.

Mr. RUSSELL. Very well; I withhold the motion for a few moments, but if there is to be debate on calendar bills, I shall be compelled to insist that the matter relating to the Agricultural Department appropriations be considered.

The ACTING PRESIDENT pro tempore. The clerk will state the next bill on the calendar.

FORFEITURE OF PAY OF PERSONS IN MILITARY AND NAVAL SERVICE IN CERTAIN CIRCUMSTANCES

The Senate proceeded to consider the bill (S. 1250) to repeal section 2 of the act approved May 17, 1926, which provides for the forfeiture of pay of persons in the military and naval service of the United States who are absent from duty on account of the direct effects of venereal disease due to misconduct, which had been reported from the Committee on Military Affairs with an amendment on page 1, after line 5, to insert:

SEC. 2. No person shall be denied, after separation from the service, any right, benefit, or privilege granted by law, solely by reason of a venereal disease contracted by him either before or during service in the armed forces; and no record thereof made by the War or Navy Department shall be revealed to any person not in that department or to any other governmental department, bureau or agency, except with the consent of such person.

So as to make the bill read:

Be it enacted, etc., That section 2 of the act approved May 17, 1926 (44 Stat. 557; 10 U. S. C. 847b; 34 U. S. C. 882b), is hereby repealed

SEC. 2 No person shall be denied, after separation from the service, any right, benefit, or privilege granted by law, solely by reason of a venereal disease contracted by him either before or during service in the armed forces; and no record thereof made by the War or Navy Department shall be revealed to any person not in that department or to any other governmental department, bureau or agency, except with the consent of such person.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LANGER. Mr. President, I have just been notified by the Senator from Maine [Mr. WHITE] that he has withdrawn all objection to Order 349, Senate bill 878.

Mr. DANAHER. Mr. President, regular order, please.

The ACTING PRESIDENT pro tempore. The regular order is demanded. The clerk will state the next bill on the calendar.

SALE OR TRANSFER OF CERTAIN GOVERNMENT PROPERTY

The bill (H. R. 1294) to authorize the sale or transfer of property belonging to

the Government for other purposes, was announced as next in order.

Mr. FERGUSON and Mr. HOLMAN asked that the bill go over.

Mr. MALONEY. Mr. President, I did not hear objection to the bill.

The ACTING PRESIDENT pro tempore. The Senator from Michigan [Mr. FERGUSON] said "over."

Mr. HOLMAN. Mr. President, I also objected to the present consideration of the bill.

Mr. MALONEY. Mr. President, I wonder if the Senator from Michigan will withhold his objection until I can make an explanation of the bill which, I may say, is considered important by the War Production Board?

The War Production Board has asked the Committee on Public Buildings and Grounds to undertake to secure the passage of this bill at the earliest possible moment. I think it is proper to say here that they anticipate a more serious copper shortage than has been experienced up to this time. They are going to ask the people of the country to dig pretty deep and not only give them scrap copper but copper which might be useful, although not necessary, to the owners. The War Production Board officials and the administration have felt that, when it is asking the public to dig deep for this very necessary scrap, provision should be made to acquire—

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. MALONEY. I yield.

Mr. FERGUSON. Does the bill apply only to scrap?

Mr. MALONEY. It applies to governmental equipment, but it makes no direct order. Originally, when the bill was proposed, the intent behind it was to requisition air-conditioning equipment which would be placed in war plants so as to keep an even temperature in the construction of certain airplane parts. The War Production Board, however, has been able to acquire the kind of equipment it needs for that purpose. I do not think the bill would be before the Senate now except for the fact that officials of the War Production Board appeared before the committee and told us of the serious copper shortage and urged us to have the bill passed and to make it possible for the President to authorize Government departments to sell metals and other equipment, not necessary to the departments, which are badly needed for war purposes. The bill has had careful study at the hands of the committee, and it was unanimously reported.

Mr. FERGUSON. My reason for objecting was that the Committee on Expenditures in the Executive Departments has a bill now before it which covers the sale and transfer of personal property by the Federal Government.

Mr. MALONEY. This has no relationship to that. It is intended to be confined solely to the scrap drive which is about to be undertaken by the Government. Originally its sponsors had air-conditioning equipment in mind, but the need in that respect, I have been advised by Mr. Wilson, of the War Production Board, has been satisfied.

Mr. FERGUSON. With that explanation, I will withdraw my objection.

Mr. GEORGE. Mr. President, this is a much broader bill than my friend from Connecticut describes. It provides that during the continuance of the present hostilities, the President may determine that any equipment, materials, or supplies now owned by the Government may be sold at not less than the scrap value of such property.

I shall have to ask that the bill go over.

Mr. MALONEY. It does not say that the property may be sold; it says that—

The President may authorize the head of the agency having control thereof—

And so forth.

Mr. GEORGE. I am obliged to ask that the bill go over. I give notice now that while I am on this floor there will not be a piecemeal disposition made of the vast investment of the Government in various kinds of property without somebody knowing what policy is to be followed. Under this bill any equipment, any material, any supplies may be by any agency declared to be surplus and sold to nongovernmental agencies. I ask that the bill go over.

Mr. FERGUSON. Mr. President, I merely wish to state that, with the explanation of the Senator from Georgia, I, too, want the bill to go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

RESTORATION OF CITIZENSHIP OF CERTAIN MEMBERS OF THE ARMED FORCES

The bill (H. R. 2207) to amend the Nationality Act of 1940 was announced as next in order.

Mr. HOLMAN. Over.

Mr. MALONEY. Mr. President, everything is happening to me in the late hours of this afternoon. I wonder if I can get the Senator to withhold his objection until I attempt to explain the bill.

Mr. HOLMAN. May I explain why I desire to object?

Mr. MALONEY. I wish the Senator would.

Mr. HOLMAN. Let me assist the Senator. I know nothing about this bill.

Mr. MALONEY. That is what I feared.

Mr. HOLMAN. I attempted to read it a few moments ago. I am a member of the Committee on Immigration. From the date on the bill, as I recall it, it passed the House 3 months ago. There has been no meeting of the Committee on Immigration recently, only one meeting in 6 months. I take it, from my hurried perusal of the bill, that it relaxes the immigration laws.

Mr. MALONEY. Not at all.

Mr. HOLMAN. Anyway, I do not like the idea of coming in with this back-door approach in considering a bill relaxing immigration laws in the hurried moments of the closing of the session of the Senate. Before I should want the bill considered by the small number of Senators now present, I should ask for a quorum, and have a larger attendance.

Mr. MALONEY. I am sure I can overcome the Senator's objection, be-

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued July 6, 1943, for actions of Monday, July 5, 1943)

(For staff of the Department only)

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SENATE

1. Agricultural appropriation bill. Agreed, 44-23, to Sen. Russell's motion to re-
cede from the Senate crop-insurance amendments (pp. 7237-42). This bill will
now be sent to the President.

2. Second deficiency appropriation bill. Passed with amendments this bill, H. R.
3030 (pp. 7250-58).

Sens. McKellar, Glass, Hayden, Tydings, Russell, Nye, Lodge, and Hoffman,
and Reps. Cannon of Mo., Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson of
Okla., Taber, Wigglesworth, Lambertson, and Ditter were appointed conferees
(pp. 7258, 7297).

In addition to the committee amendments (see Digest 126) the Senate agreed
to the following amendments: By Sen. Nye, N. Dak., appropriating \$4,318,748
for crop insurance and repealing the proviso in the agricultural appropriation
bill prohibiting new contracts, etc. (p. 7258). By Sen. Clark, Mo., to appro-
priate \$15,000,000 for flood relief of farmers through such agencies and upon
such terms and conditions as the Secretary may prescribe (p. 7250). By Sen.
McKellar, Tenn., providing that language in the OWI appropriation shall not be
construed to prohibit preparation and distribution of the Government manual
(p. 7257).

Sen. Hayden, Ariz., submitted and discussed an amendment to appropriate
\$1,900,000 additional for the Central Valley reclamation project, but withdrew
the amendment until a Budget estimate can be requested (pp. 7255-57).

3. War agencies appropriation bill. Agreed to the conference report on this bill, H. R. 2968 (pp. 7258-59), and insisted on amendments reported in disagreement (p. 7259). The report fixes the OPA item at \$155,000,000 (House, \$130,000,000; Senate, \$177,335,000); strikes out the House prohibition against subsidies; retains the House provision requiring experienced OPA personnel, amended to prohibit salary payments to officials unless the Administrator finds that they are sufficiently experienced; and partially restores OWI's domestic branch.
Sens. McKellar, Glass, Hayden, Tydings, Russell, Nye, Lodge, and Holman, and Reps. Cannon of Mo., Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson of Okla., Taber, Wigglesworth, Lambertson, and Ditter were appointed conferees for a further conference (pp. 7259, 7297).
4. Labor practices. Sen. La Follette, Wis., inserted and discussed the Education and Labor Committee's report on violations of free speech and rights of labor - "Employer's Associations and Collective Bargaining in California" (S. Rept. 398), which discusses relations with farm organizations, etc. (pp. 7261-67).
5. Corn acquisition. Agriculture and Forestry Committee reported with amendments (S. J. Res. 71, which authorizes governmental and other agencies to acquire corn at not over \$1.40 a bushel (p. 7244).
6. AAA; grants-in-aid. Agriculture and Forestry Committee reported without amendment H. R. 1396, making certain regulations with reference to fertilizers or seeds that may be distributed by agencies of the U. S. (S. Rept. 389) (p. 7244).
7. Civilian defense. D. C. Committee reported without amendment H. R. 2988, to amend the act to authorize black-outs in D. C. so as to authorize expenditures of \$25,800 annually (S. Rept. 395) (p. 7244).
8. Dairy industry. D. C. Committee reported without amendment H. J. Res. 37, authorizing St. Elizabeths Hospital, during the emergency, to purchase butter substitutes when procurement of an adequate amount of butter is not feasible (S. Rept. 396) (p. 7244).
9. Food production. Agriculture and Forestry Committee reported without amendment (H. Con. Res. 12, stating it as the sense of the Congress that adequate supplies of food, feed, and fiber are as essential as munitions; that farmers are handicapped in obtaining equipment, materials, labor, and supplies; and that authorities responsible for allocation of supplies must consider farmers' needs as equal to war industries' needs (p. 7244-45).
10. Property transfers. At Sen. Maloney's (Conn.) request H. R. 1294, to authorize the sale or transfer of property belonging to the Government for other purposes was recommitted to the Public Buildings and Grounds Committee (p. 7245).
11. Farm credit. Sen. Willis, Ind., inserted Gov. Black's letter relative to the sources of funds used in repaying farm indebtedness, stating that "farm and nonfarm income account for the greatest proportion of pay-offs" (p. 7247).
12. Flood relief. Passed with amendments S. 1286, to authorize appropriation of \$15,000,000 to provide relief to farmers whose property was destroyed or damaged by 1943 floods (pp. 7247-50). In addition to the committed amendment, agreed to an amendment by Sen. Russell, Ga., to permit the Secretary "to utilize the facilities of any existing agency or bureau" (p. 7250).
13. Housing. Discussed H. R. 2936, to authorize additional appropriations for defense housing (pp. 7282-83). Sen. Taft, Ohio, submitted an amendment which he intends to propose to this bill (p. 7245).

effective prosecution of the war, and for other purposes; without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 1309 (by request). A bill for the relief of Pan American Airways, Inc.; and S. 1310 (by request). A bill to amend Public Law 537, Seventy-seventh Congress, approved May 2, 1942; to the Committee on Claims.

By Mr. MOORE:

S. 1311. A bill to remove restrictions on Indian property now held in trust by the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. KILGORE:

S. 1312. A bill to prohibit producers and distributors of motion-picture films engaged in interstate commerce from owning, controlling, managing, operating, or having any interest in motion-picture theaters in the United States; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1313. A bill to amend section 1 (b) of the Railroad Retirement Act of 1937, as amended; to the Committee on Interstate Commerce.

(Mr. LANGER also introduced Senate bill 1314, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. WALSH:

S. 1315. A bill providing for the transfer to the custody and control of the Secretary of the Navy of certain lands comprising a portion of Croatan National Forest in the State of North Carolina; to the Committee on Naval Affairs.

(Mr. McKELLAR introduced Senate bill 1316, which was passed, and appears under a separate heading.)

ALLOWANCE OF STATE INCOME TAX AS CREDIT AGAINST FEDERAL INCOME TAX

Mr. LANGER. Mr. President, I ask consent to introduce a bill to amend part III of subchapter B of chapter I of the Internal Revenue Code, as amended, to provide for the allowance of amounts of income tax imposed by States as a credit against Federal income tax, and for other purposes.

I may state the purpose of the bill. There are 13 States in which no State income tax prevails. The result is that persons who live in States which have State income-tax laws move into the States which have none. The purpose of the bill is to allow amounts of any tax imposed by a State as a credit against Federal income tax.

There being no objection, the bill (S. 1314) to amend part III of subchapter B of chapter 1 of the Internal Revenue Code, as amended, to provide for the allowance of amounts of income tax imposed by States as a credit against Federal income tax, and for other purposes, was received, read twice by its title, and referred to the Committee on Finance.

Mr. LANGER. In connection with the bill I have just introduced I ask to have printed in the Record a letter written to me by Ernest S. Griffith, Director, Legislative Reference Service, together with the statement attached thereto.

There being no objection, the letter and the statement were ordered to be printed in the Record, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, July 3, 1943.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: In response to your request, we have prepared and are enclosing a manuscript in which we have set forth the rates applied to incomes of \$10,000 or more by those States which levy a tax on individual incomes. We have also listed therein the States which do not levy this tax.

With reference to the information presented, however, we are unable to assure you that no item thereof has been altered by legislation adopted in 1943 sessions of the State legislatures. Not having received a complete record of the statutes adopted by each of the States whose legislatures convened in 1943, we accordingly cannot be certain that any State, not hitherto imposing a tax on individual incomes, has not adopted this form of tax in 1943, nor whether one has been abandoned by any of the States whose rates are presented. The rates which are included were applicable until January 1943; and in only a few instances have we obtained the 1943 statutes which have enabled us to cite the rate levied for 1943.

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

LIST OF STATES HAVING NO INDIVIDUAL INCOME TAX

Connecticut, Florida, Illinois, Maine, Michigan, Nebraska, New Jersey, Nevada, Pennsylvania, Rhode Island, Texas, West Virginia, and Wyoming.

STATES LEVYING A TAX ON INDIVIDUAL INCOMES—RATES ON INCOMES OVER \$10,000

Alabama: 3.2 percent on the first \$5,000 and 5 percent on the remainder.

Arizona: 2.1 percent on the first \$9,000 and 4½ percent on the remainder.

Arkansas: 2.4 percent on the first \$10,000, 4 percent on the next \$14,000, and 5 percent on the excess over \$25,000.

California: 1.5 percent on the first \$10,000, 3 percent on the next \$5,000, 4 percent on the next \$5,000, 5 percent on the next \$5,000, 6 percent on the next \$5,000, 7 percent on the next \$10,000, 8 percent on the next \$10,000, 9 percent on the next \$10,000, 10 percent on the next \$10,000, 11 percent on the next \$10,000, 12 percent on the next \$20,000, 13 percent on the next \$50,000, 14 percent on the next \$100,000, and 15 percent on the remainder.

Colorado: 6 percent plus a surtax of 2 percent on investment income.

Delaware: 3 percent plus 1 percent withheld on gross incomes for 1943 and 1944.

Georgia: 5 percent on the first \$10,000, 6 percent on \$10,000 to \$20,000, and 7 percent on incomes over \$20,000.

Idaho: 3.9 percent on the first \$5,000 and 8 percent on the remainder.

Iowa: 3 percent on the first \$5,000; 5 percent on the remainder; less a deduction of 50 percent from the tax due for 1942 and 1943.

Kansas: 4 percent.

Kentucky: 5 percent.

Louisiana: 2 percent on the first \$10,000; 4 percent on the next \$40,000; 6 percent on the excess over \$50,000.

Maryland: 5 percent on investment incomes; 2 percent on other incomes; less a deduction of 33½ percent from the total tax due.

Massachusetts: 6 percent on income from securities, debts, intangibles; 1½ percent on income from annuities; 1½ percent on other incomes; plus 13 percent of the total tax due.

Minnesota: 8 percent on incomes of \$9,000 to \$12,500; 9 percent on incomes of \$12,500 to \$20,000; 10 percent on incomes over \$20,000.

Mississippi: 3.2 percent on the first \$10,000; 5½ percent on the next \$5,000; 6½ percent on the next \$10,000; 7 percent on the excess over \$25,000.

Missouri: 4 percent; less a deduction of \$135.

Montana: 2 percent on the first \$6,000; 4 percent on the remainder.

New Hampshire: \$3.35 per \$100 of investment income. This tax is "levied at the average rate of taxation, as near as may be, levied on other property in the State." The above rate applied in 1941.

New Mexico: 2 percent on incomes of \$10,000 to \$20,000; 3 percent on incomes of \$20,000 to \$100,000; 4 percent on incomes over \$100,000.

New York: 7 percent less a deduction of 25 percent from the total tax due.

North Carolina: 7 percent.

North Dakota: 12½ percent on incomes of \$10,000 to \$15,000; 15 percent on incomes over \$15,000.

Oklahoma: 4.5 percent on the first \$8,000; 9 percent on the remainder.

Oregon: 5.8 percent on the first \$4,000; 7 percent on the remainder; plus a surtax of 2 percent provided the total does not exceed 8 percent.

South Carolina: 5 percent.

South Dakota: 1½ percent on the first \$7,000; 3 percent on the next \$8,000; 4 percent on the next \$25,000; 5 percent on the next \$100,000; 6 percent on the remainder.

Tennessee: 6 percent on investment income only.

Utah: 2½ percent on the first \$4,000; 5 percent on the remainder.

Vermont: 4 percent on investment income; 2 percent on other income.

Virginia: 3 percent.

Wisconsin: 2.8 percent on the first \$10,000; 5½ percent on the next \$1,000; 6 percent on the next \$1,000; 7 percent on the remainder.

Source: Commerce Clearing House, State Tax Guide Service.

HOUSE BILL REFERRED

The bill (H. R. 2106) to provide for the acceptance on behalf of the United States of a statue of Sir William Blackstone, the work of the late Paul W. Bartlett, and for other purposes, was read twice by its title and referred to the Committee on the Library.

SALE OR TRANSFER OF CERTAIN GOVERNMENT PROPERTY—RECOMMITTAL OF BILL

Mr. MALONEY. Mr. President, I ask unanimous consent that Calendar No. 392, House bill 1294 to authorize the sale or transfer of property belonging to the Government for other purposes, be recommitted to the Committee on Public Buildings and Grounds.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROVISION FOR HOUSING IN CONNECTION WITH THE NATIONAL DEFENSE—AMENDMENT

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (H. R. 2936) to authorize the appropriation of an additional \$200,000,000 to carry out the provisions of title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, which was ordered to lie on the table and to be printed.

have gone into action to the best of their ability.

About a month ago I went to Kansas to attend the funeral of a late Member of the Kansas delegation. On my return, in passing through the center of the State, I saw more water in the Missouri River Valley than I had ever seen before, along the Missouri-Pacific Railroad from Jefferson City nearly to St. Louis. For the second time in less than 2 months, the Missouri River had reached record heights. In my own home county in Kansas, in the month of May the rainfall was 20 inches, a remarkable fall of rain. There had been nothing like it previously in our history.

I hope that the bill of the senior Senator from Missouri will pass without any dissent.

Mr. WHERRY. Mr. President, I am very much interested in the pending measure, and I hope that it will be passed.

Mr. CLARK of Missouri. Mr. President, I thank Senators who have spoken in favor of the bill. May we have a vote?

Mr. RUSSELL. Mr. President, I have no disposition to delay a vote on the bill. However, I think the bill is so vague that in view of the present condition in the Department of Agriculture there should be a clarifying amendment. Senators are aware of the fact that the Farm Security Administration has been the agency in the Department which has heretofore undertaken to afford relief to areas which were affected by flood, drought, or the ravages of insects. I do not insist that we should write into the bill the name of the Farm Security Administration; but in view of the fact that the Farm Security Administration has been transferred to the jurisdiction of the Administrator of War Food Production and Distribution, certainly there should be some language in the bill which would obviate the creation of an entirely new bureau or agency in the Department of Agriculture.

Mr. CLARK of Missouri. Mr. President, if the Senator will suggest an amendment I shall be very glad to accept it. Let me say to the Senator from Georgia that as the bill was first drawn the authority was vested in the Food Administrator. Then, after consultation with all the agencies involved, including the Disaster Loan Corporation, the Federal Security Administration, and every other agency I could think of, it was decided that the Secretary of Agriculture was the proper administrative authority.

Mr. RUSSELL. I have no doubt as to that. I agree with that statement. I think the Secretary of Agriculture is the appropriate authority, because he is the head of the Department of Agriculture.

Mr. CLARK of Missouri. I certainly do not wish to create any new administrative agency.

Mr. RUSSELL. I was about to suggest that the bill be amended by providing that the Secretary of Agriculture be authorized, through any existing agency or bureau, to provide relief to any such farmer.

Mr. CLARK of Missouri. So far as I am personally concerned, I shall be very glad to accept that amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. RUSSELL. In view of the statement of the Senator from Missouri, I move that in line 6, after the word "authorized", the words "to utilize the facilities of any existing agency or bureau" be inserted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Alabama, although I am under obligation to the Senator from Tennessee [Mr. McKELLAR] that if this measure requires an undue length of time, I am bound to withdraw it.

Mr. HILL. When the bill was under consideration a few days ago I made a suggestion about the use of the Farm Security Administration, because that would make it definite and specific. The Senator from Georgia has called attention to the fact that the Farm Security Administration is now under the War Food Administration. If the amendment of the Senator from Georgia were written into the bill, could the Secretary of Agriculture make use of the Farm Security Administration?

Mr. RUSSELL. I think he could, because it is all within the Department of Agriculture.

Mr. HILL. Is the War Food Administrator under the Secretary of Agriculture?

Mr. RUSSELL. I hope the Senator will not press that question, because the division of authority between the Secretary of Agriculture and the War Food Administrator is in a very nebulous state. I have never been able to determine exactly where the authority of one ceases and the authority of the other begins, but they are both in the Department of Agriculture.

Mr. HILL. The Senator from Georgia has stated that the Farm Security Administration is the agency which has the duty and responsibility of rehabilitation of farmers.

Mr. RUSSELL. It has heretofore engaged in this specific work in flooded areas.

Mr. HILL. Exactly. It provided relief in Alabama.

Mr. CLARK of Missouri. The Farm Security Administration rather disclaimed any authority in this particular kind of work, and therefore it was necessary to make the authority broad, or even, as the Senator from Georgia has properly said, vague. If I could have made it any more specific, I certainly would have done so. If any one agency of the Government had claimed specific jurisdiction, I would have drawn the bill so as to confer jurisdiction on such agency; but what I was interested in was in having something done, and putting the responsibility somewhere. The proper thing to do seemed to be to confer the authority upon the Secretary of

Agriculture, rather than to undertake to pass a measure which might later be said to have conferred jurisdiction on some agency which should not have jurisdiction.

Mr. HILL. As I understand, under the language of his amendment, the Senator from Georgia does not have any doubt that the Secretary of Agriculture could use the Farm Security Administration for carrying out the purposes of the bill.

Mr. RUSSELL. I think he could, and I believe he probably should utilize it.

Mr. HILL. That is my thought.

Mr. CLARK of Missouri. Mr. President, my understanding is that the modification suggested by the Senator from Georgia has been agreed to.

The PRESIDING OFFICER. It has. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1286) was ordered to be engrossed for a third reading, read the third time, and passed.

SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

Mr. CLARK of Missouri. Mr. President, I assume that we have now returned to the consideration of the second deficiency appropriation bill. While the matter is fresh in the minds of Senators, out of order I ask unanimous consent to offer an amendment to be inserted at the proper place in the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none. The amendment will be stated.

The CHIEF CLERK. On page 12, after line 13, it is proposed to insert:

DEPARTMENT OF AGRICULTURE

That in order to aid in the temporary rehabilitation of farmers whose buildings, crops, livestock, machinery, and equipment were destroyed or damaged, in whole or in part, by floods in 1943, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide relief to any such farmer, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to replace or repair any property so destroyed or damaged, and to obtain the necessary seed, livestock, and equipment to enable him to continue farming operations, and for that purpose, there is hereby appropriated the sum of \$15,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropria-

tions—Legislative—House of Representatives," on page 2, after line 9, to insert:

COMMITTEE ON FEDERAL EXPENDITURES

For an amount, which is hereby authorized, to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, \$10,000; to enable the committee to perform the additional duties required of it by section 204 of the Treasury and Post Office Departments Appropriation Act, 1944, approved June 30, 1943, \$10,000, in all, \$20,000, one-half to be disbursed by the Secretary of the Senate and the other half by the Clerk of the House on vouchers approved by the chairman of the committee.

The amendment was agreed to.

The next amendment was, on page 3, after line 5, to insert:

GOVERNMENT PRINTING OFFICE

Working capital and congressional printing and binding: For an additional amount for working capital and congressional printing and binding, fiscal year 1944, \$17,000,000: *Provided*, That this amount shall be returned to the Treasury as an unexpended balance not later than 12 months after the close of the fiscal year 1944.

The amendment was agreed to.

The next amendment was, on page 3, after line 12, to insert:

Working capital and congressional printing and binding 1943: The amount available for the printing, binding, and distribution of the Federal Register is hereby increased to \$430,000 for the fiscal year 1943: *Provided*, That no increase is thereby made in the existing appropriation for working capital and congressional printing and binding.

The amendment was agreed to.

The next amendment was, on page 3, after line 18, to insert:

For payment to Preston L. George, Bjarne J. Sigurdson, Harry E. Padgett, and Lester A. Wells, messengers on night duty during the first session of the Seventy-eighth Congress, \$600 each; in all, \$2,400, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1943.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—National Resources Planning Board," on page 4, line 6, after the numerals "\$29,500", to insert "\$42,500", and in line 11, before the word "shall", to strike out "\$37,000" and insert "\$50,000."

The amendment was agreed to.

The next amendment was, under the heading "Independent executive agencies", on page 4, after line 13, to insert:

BITUMINOUS COAL CONSUMERS' COUNSEL

Salaries and expenses: For the Office of the Bituminous Coal Consumers' Counsel, in carrying out the functions thereof as created by the Bituminous Coal Act of 1937, as amended (15 U. S. C. 849 and 852), as further amended by the act of May 21, 1943 (Public Law 53), and as further amended, to be supplemental to and merged with the appropriation under this head in the Urgent Deficiency Appropriation Act, 1943, and to be available for the same objects of expenditure, fiscal year 1944, \$65,000: *Provided*, That this appropriation shall not be available for obligation unless and until there shall have been enacted an extension of said act for a period beyond August 24, 1943.

The amendment was agreed to.

The next amendment was, on page 5, after line 15, to insert:

FEDERAL SECURITY AGENCY

War-area child-care (national defense): For payments to States, local public authorities, and nonprofit private agencies as provided by Public, No. — (S. 1130, 78th Cong.), for expenditure in accordance with State plans, submitted and approved as provided in that act, for day care and extended school services for children of mothers employed in industries essential to the prosecution of the war, fiscal year 1944, \$20,000,000.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

Salaries and expenses: For administrative expenses of the Federal Security Agency (and other Federal agencies on transfer thereto) necessary for carrying out the foregoing program of war-area child-care, including personal services in the District of Columbia and elsewhere, traveling expenses, including actual transportation and not to exceed \$10 per diem in lieu of subsistence and other expenses of persons serving, while away from their homes, without other compensation in an advisory capacity to the Federal Security Administrator; and printing and binding (not to exceed \$30,000), fiscal year 1944, \$450,000: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchases from this appropriation when the aggregate amount involved does not exceed \$100.

The amendment was agreed to.

The next amendment was, on page 6, after line 14, to insert:

The sums appropriated in the two preceding paragraphs shall not be available for obligation until the enactment of the bill (S. 1130 of the 78th Cong.) entitled "An act to provide for care of children of mothers employed in war areas in the United States, and for other purposes."

The amendment was agreed to.

The next amendment was, under the subhead "Federal Works Agency," on page 6, after line 20, to insert:

War public works (community facilities): For an additional amount to enable the Federal Works Administrator to carry out the functions vested in him by titles II and III of the act of October 14, 1940, as amended (42 U. S. C. 1531-1534, and 1541), \$75,000,000, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941, of which amount not to exceed \$3,375,000 shall be available for administrative expenses, including the objects specified under the head "Defense public works (community facilities)" in the Second Deficiency Appropriation Act, 1941, and the joint resolution approved December 23, 1941 (Public Law 371): *Provided*, That the amount appropriated in this paragraph shall not be available for obligation until the enactment of the bill (H. R. 2936 of the 78th Cong.) entitled "An act to authorize the appropriation of an additional \$200,000,000 to carry out the provisions of title II of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended."

The amendment was agreed to.

The next amendment was, on page 7, after line 15, to insert:

Public Roads Administration, Inter-American Highway (Costa Rica): For surveys and construction of the Inter-American Highway (provided for by the act of December 26, 1941 (Public Law 375), but without regard to the provisions thereof), within the borders of the Republic of Costa Rica between Cartago and San Isidro del General, and necessary expenses incident thereto, without regard to section 3709, Revised Statutes,

\$12,000,000, to remain available until expended.

Mr. VANDENBERG. Mr. President, I am curious about the language, if I may call it to the attention of the Senator from Tennessee, contained in the amendment. This apparently is an appropriation to build a sector of the International Highway in Costa Rica at our expense. Mr. McKELLAR. The Senator is correct.

Mr. VANDENBERG. And it is identified by the words:

Provided for by the act of December 26, 1941, * * * but without regard to the provisions thereof.

Just what are we getting out from under by that language?

Mr. McKELLAR. Let me examine it.

Mr. VANDENBERG. I refer to the language on page 7, in lines 18, 19, and 20. We identify the act under which the appropriation is authorized, and then promptly climb out from under it.

Mr. McKELLAR. I will read the explanation furnished by the Director of the Bureau of the Budget.

Certain sections of the Inter-American Highway, from Laredo, Tex., to the Panama Canal, have been completed with funds provided by the governments of the Central American countries and with funds contributed by the United States, including appropriations made available under the provisions of Public Law 375 (77th Cong.), approved December 26, 1941, which authorized the appropriation of \$20,000,000 for expenditure on the survey and construction of the highway, provided that at least one-third of the costs would be assumed by each of the countries involved.

In June 1942 the Army ordered the construction of pioneer roads to connect completed sections of the Inter-American Highway so that a passable road would be available at the earliest possible date for war purposes. The rough terrain in a 58-mile stretch between Cartago and San Isidro del General in the highest part of the mountains in Costa Rica does not admit of adequate traffic solution by the construction of a pioneer road and the Public Roads Administration proposes to proceed with the construction of this stretch of road as soon as the necessary funds are appropriated.

The Department of State advises that the country of Costa Rica is financially unable to contribute toward the cost of construction on this particular section which, because of its extraordinarily rough terrain, will be the most costly section along the entire route of the Inter-American Highway.

The foregoing estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1944, and its approval is recommended.

Mr. President, as I understand the situation, the complete use of the road will be prevented until this construction is completed. There are very high mountains in the uncompleted section of the road, and unless it is built much of the road for which we have already spent a great deal of money will be useless in time of war. It is regarded as very important that the road be completed.

In view of all the money which we have already spent—and we have spent some very large sums of money on this road—I myself believe that we should have it completed at the earliest possible moment, and the only way in which we can do so is by an expenditure of the

amount recommended of \$12,000,000. That is the whole truth of the matter.

Mr. VANDENBERG. Mr. President, I am still asking about what the language means. From the Senator's explanation I assume that Public Law 375 would require from Costa Rica a contribution, and the purpose of this amendment is to omit it.

Mr. McKELLAR. It is to omit it because the State Department has advised that Costa Rica is financially unable to contribute to the cost of the proposed construction. As the Senator will agree, \$12,000,000 is a very considerable sum to expend in order to complete and make passable the road from the Panama Canal to the United States. For that reason that amendment is offered.

Mr. VANDENBERG. Then further in the bill on page 17 we are implementing the recent treaty signed with Panama by paying the \$2,500,000 cost of a substantial portion of the International Highway in Panama.

Mr. McKELLAR. That is true.

Mr. VANDENBERG. So I assume that we are now dropping any pretense that this is a partnership expenditure in this International Highway and that we are, as usual, paying the whole bill.

Mr. McKELLAR. If we are not paying the whole bill we are paying a very large part of it.

Mr. VANDENBERG. I wanted to be sure the record was straight.

Mr. McKELLAR. Yes.

Mr. President, has the amendment on page 7, line 16, been agreed to?

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 7, after line 15.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, at the top of page 11, to insert:

NATIONAL HOUSING AGENCY

War housing: For an additional amount to carry out the purposes of title I of the act of October 14, 1940 (42 U. S. C., ch. 9), as amended, and subject to the applicable provisions of the joint resolution approved October 14, 1940 (54 Stat. 1115), \$150,000,000, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941: *Provided*, That the amount appropriated in this paragraph shall not be available for obligation until the date of enactment of legislation authorizing the appropriation of such additional funds.

The amendment was agreed to.

The next amendment was, on page 11, after line 11, to insert:

Not exceeding \$7,000,000 of the unexpended balance of the appropriation made available until June 30, 1943, under the heading "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942, is continued available until June 30, 1944.

The amendment was agreed to.

The next amendment was, on page 11, after line 17, to insert:

DISTRICT OF COLUMBIA PUBLIC WELFARE

St. Elizabeths Hospital: For an additional amount for support of indigent insane of the

District of Columbia in St. Elizabeths Hospital, as provided by law, fiscal year 1943, \$63,000.

The amendment was agreed to.

The next amendment was, on page 11, after line 23, to insert:

JUDGMENTS

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in Senate Document No. 90, together with such further sum as may be necessary to pay the interest at not exceeding 4 percent per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,916.86.

The amendment was agreed to.

The next amendment was, on page 12, after line 6, to insert:

DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia appropriation acts for the respective fiscal years for which such sums are provided.

The amendment was agreed to.

The next amendment was, on page 12, after line 13, to insert:

DEPARTMENT OF COMMERCE

OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

Development of civil landing areas: For completion of landing area construction previously undertaken by the Work Projects Administration at public airports, including all necessary engineering and administrative expenses in the field, \$8,832,000, to remain available until expended: *Provided*, That this appropriation shall not be construed as precluding the use of other appropriations available for any of the purposes for which this appropriation is made: *Provided further*, That any or all of the foregoing appropriation of \$8,832,000 may be transferred to any other Federal agency organized to undertake the work herein provided for either by contract or by force account, and such agency is authorized to proceed with such work.

The amendment was agreed to.

The next amendment was, on page 13, after line 3, to insert:

INTERIOR DEPARTMENT—OFFICE OF THE SECRETARY

BITUMINOUS COAL DIVISION

For the Bituminous Coal Division, in carrying out the purposes of the Bituminous Coal Act of 1937, as amended (15 U. S. C. 823-849), as further amended by the act of May 21, 1943 (Public Law 53), and as further amended, to be supplemental to and merged with the appropriation under this head in the Urgent Deficiency Appropriation Act, 1943, and to be available for the same objects of expenditure, including not to exceed \$1,000 for the maintenance, operation, and repair of motor-propelled passenger-carrying vehicles, and not to exceed \$500 for the purchase and exchange of newspapers, lawbooks, reference books, and periodicals, fiscal year 1944, \$1,100,000: *Provided*, That this Appropriation shall not be available unless and until there shall have been enacted an extension of said act for a period beyond August 24, 1943.

The amendment was agreed to.

The next amendment was, on page 13, after line 20, to insert:

NATIONAL PARK SERVICE

Patrick Henry National Monument: For completion of the acquisition of the estate of Patrick Henry in Charlotte County, Va., known as Red Hill, and including all ex-

penses incidental to such acquisition, to be known as the Patrick Henry National Monument, in accordance with the provisions of the acts of August 15, 1935 (49 Stat. 652), and January 29, 1940 (54 Stat. 18), fiscal year 1944, \$25,000.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Office of the Secretary," on page 14, in line 13, after the word "in", to insert "Senate Document No. 82, and"; and line 15, after the name "Congress", to strike out "\$10,628.05" and insert "\$19,605.37."

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard," on page 14, line 24, after the word "in", to insert "Senate Document Numbered 81, and", and on page 15, line 2, after the name "Congress", to strike out "\$382.88" and insert "\$1,025.58."

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department", on page 17, after line 20, to insert:

BUREAU OF ACCOUNTS

Salaries and expenses, deposit of withheld taxes: For all necessary expenses, fiscal year 1944, incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943, including personal services in the District of Columbia and elsewhere; not to exceed \$113,000 for printing and binding; and reimbursement to Federal Reserve banks for printing and other necessary expenses, \$800,000.

The amendment was agreed to.

The next amendment was, on page 18, after line 20, to insert:

WAR DEPARTMENT—CIVIL FUNCTIONS CORPS OF ENGINEERS

Rivers and harbors: For the preservation and maintenance of existing river and harbor works, and for the prosecution of projects heretofore authorized, including the objects and purposes and subject to the conditions specified under this head in the War Department Civil Appropriation Act, 1944, to be available until expended, \$7,095,000.

Mr. VANDENBERG. I desire to call the attention of the able Senator from Tennessee to the language authorizing the \$7,000,000 appropriation to the Corps of Engineers. It reads:

And for the prosecution of projects heretofore authorized, including the objects and purposes and subject to the conditions specified under this head—

And so forth. This appears to be a blanket appropriation which could be expended upon any project heretofore authorized even though the Congress declined to make an appropriation for it. As the language stands, is not that the fact?

Mr. McKELLAR. No; that is the same language that has been constantly used in all these bills for many years. In the use of that language we simply followed the regular form. We had General Reybold before us, and that language was submitted by the Department.

Mr. VANDENBERG. I think the Senator will find that heretofore we have sometimes used language somewhat more restrictive than that. Let me give the Senator an example. We authorized, for instance, an appropriation for the Florida ship canal, and then the Senate de-

clined to make the appropriation. Can a part of the \$7,000,00 be used for that purpose under this language?

Mr. McKELLAR. I do not know whether the hearings have been printed, but that was exactly the question I asked General Reybold in the hearings before this amendment was agreed to by the committee. He said that it would not be so used.

Mr. VANDENBERG. He may have said it would not, but I am asking if it could not?

Mr. McKELLAR. He said it could not.

Mr. VANDENBERG. Would not that be the prosecution of a project heretofore authorized?

Mr. McKELLAR. Yes.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. McKELLAR. I shall yield in a moment. I may say that in the committee I raised precisely the same question the Senator from Michigan now raises on the floor, that some of this work would have to be done on the Intracoastal Canal from some point in Texas to a point in Florida near the proposed Florida Canal, and I asked specifically if any of the money was to be used on the Florida Canal. I was told by General Reybold it would not be so used. The Senator from Louisiana [Mr. OVERTON] was present at the hearings, and I think it was agreed by everyone there that there was no purpose, and there was no possibility of the money being used for the purpose suggested by the Senator from Michigan. I inquire of the Senator from Louisiana if that is not correct?

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. OVERTON. The Senator is absolutely correct. The testimony shows that the sole purpose of the amendment is to provide funds for the completion of the existing Intracoastal Canal and to widen and deepen the existing channel—not to extend it—running from Carrabelle, Fla., to Corpus Christi, Tex. Most of the work on the Florida end of it has been done. There remained to be done only a little work east of the Mississippi in the vicinity of New Orleans, and that will be completed, according to the testimony, as I recall, by July 15.

Mr. VANDENBERG. I am not objecting to that expenditure; I am simply raising the question—

Mr. OVERTON. I am undertaking further to answer the Senator. I call attention of the Senator from Michigan to the statement in the report made by the committee that—

This amount is necessary to complete the authorized work on the Gulf Intracoastal Waterway, between Carrabelle, Fla., and Corpus Christi, Tex.

Therefore that binds the appropriation to be utilized solely for that purpose. The testimony is that none of it will be used for the Florida barge canal or ship canal, and the report of the committee limits it to the widening and

deepening of this channel between Carrabelle and Corpus Christi.

Mr. VANDENBERG. The Senator from Louisiana will concede, will he not, that under the language, "and for the prosecution of projects heretofore authorized" this appropriation can be used for anything heretofore authorized regardless of whether Congress has declined to pursue the authorization with an appropriation or not? Is not that true, under this language?

Mr. OVERTON. I made the same observation which the Senator has made, but I was advised by the clerk of the Senate Appropriations Committee that this was the language uniformly used in making appropriations of this character, and that the limitation embodied in the report of the committee restricts the purposes for which the appropriation may be expended.

Mr. McKELLAR. Mr. President, I think it will be appropriate at this time and may help the Senator if I should read from page 25 of the hearings before the committee:

Senator McKELLAR. Senator Overton, may I inquire if this appropriation affects the question of whether there will be a Florida canal.

Senator OVERTON. Oh, no, indeed; absolutely not. This has nothing at all to do with the Florida Canal. It takes the Gulf Intracoastal Canal as it now is and deepens it and widens it and straightens out some of the bends, but it has nothing whatsoever to do, I assure you, with extending the Gulf Intracoastal Canal across Florida.

Senator McKELLAR. I am glad to hear you say that because I am sure there would be great opposition on the floor.

Senator OVERTON. I am very glad you brought that out.

Senator McKELLAR. If it was just suggested that this \$7,000,000 was to be used for that purpose, the item would be no doubt—

At that point I interrupted:

Senator OVERTON. I will ask General Reybold to make a statement on that.

Senator McKELLAR. All right.

Senator OVERTON. Are any funds contemplated to be appropriated under this amendment to be used toward the construction of what is known as the Florida barge canal?

General REYBOLD. No, sir.

Senator McKELLAR. Or any approach to it?

General REYBOLD. No, sir.

Senator McCARRAN. The Intercoastal Canal, when completed, if I understand it right—an approach to the Florida barge canal—that is, it would lead into and facilitate the transportation through the Florida barge canal when it is constructed.

General REYBOLD. The funds now requested are to be applied to the existing Intracoastal Waterway between Corpus Christi, Tex., and Carrabelle, Fla.

Senator TYDINGS. It is nothing new; it is simply an improvement of the old.

General REYBOLD. That is correct.

Senator TYDINGS. It is not a provision for a new project in any manner, shape, or form.

General REYBOLD. Except as modified by straightening out bends and deepening and widening an existing waterway.

Senator TYDINGS. Oh, yes.

General REYBOLD. And taking into consideration.

I do not know what is meant by that.

Mr. VANDENBERG. Mr. President, with the recital by the able Senator from Tennessee of the hearings before the Committee on Appropriations, and as-

suming that what the Senator has said is an authentic disclosure of this totally unlimited language, and the ends for which the money is to be spent, I am content to rest upon the record.

Mr. McKELLAR. I think the Senator will be perfectly safe in doing so, because I know that after giving testimony of that kind to a committee of the Congress no official of the Government would ever violate General Reybold's statement.

The PRESIDING OFFICER. The question is on agreeing to the amendment beginning on page 18, line 21, and ending on page 19, line 4.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 19, after line 4, to insert:

Flood control, general: For the prosecution of a dam and reservoir project on Mosquito Creek, Ohio, authorized by the acts of June 28, 1938, and August 18, 1941, \$4,385,000.

Mr. McKELLAR. Mr. President, this appropriation is necessary by reason of a peculiar situation at Youngstown, Ohio. At that place, as I recall, approximately 92 percent of the steel produced in this country is manufactured, and when there is a flood—as there was last winter, which came within an inch or half an inch of the top of the dam—if the dam should be broken the production of steel would be stopped for quite a while.

In order to correct that condition it is necessary to build another dam and improve the present one, which will have two effects. First, it will prevent the accumulation of too much water, during a flood in the wintertime, and in the summertime it will prevent a scarcity of water. It is necessary to have both dams in order to bring about that result. Senators can readily appreciate that, in a community such as Youngstown, where so much of the steel of the country is manufactured, we cannot afford to leave it to chance, but we must protect the production of steel. That is why the amendment was offered.

The junior Senator from Ohio [Mr. BURTON], who is a member of the committee, presented the situation to the committee, and the amendment was agreed to, although we changed the wording of the provision so as to appropriate the actual money out of the Treasury, because it was doubted that there would be sufficient money in the unexpended balance.

If the Senator from Ohio wishes to explain further, I shall be happy to yield to him.

Mr. BURTON. Mr. President, I merely wish to thank the Senator from Tennessee for his interest in this project, and his clear statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I wish to ask the Senator from Tennessee a general question, not related to the immediate amendment.

I have heard that the bill carries somewhere in it a preliminary appropri-

ation for the expenses of the American section of the United Nations Relief and Rehabilitation Administration. Is that correct?

Mr. McKELLAR. If it is, I wish to say that I am in utter ignorance of it. Someone has put something over on me if there is anything like that in the bill.

Mr. VANDENBERG. I have been looking to see if someone has put something over on me, too, and I cannot find it.

Mr. McKELLAR. I have conferred with the clerk of the Committee on Appropriations, Mr. Everard Smith, who is one of the most experienced men in the matter of appropriations of whom I know, and he tells me he does not know of anything like that, and I am sure if such a matter had been brought before the committee I would have remembered something about it. I have no recollection of any such thing, and do not believe it is in the bill.

Mr. VANDENBERG. Very well.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 19, after line 7, to insert:

Flood control, general (emergency fund): For the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by the recent floods, in accordance with the first section of the act entitled "An act to provide for emergency flood-control work made necessary by recent floods, and for other purposes" (S. 1134, 78th Cong.), \$10,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Judgments and authorized claims—property damage claims," on page 20, after line 19, to insert:

(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sum not exceeding \$1,000 in any one case," approved December 28, 1922 (31 U. S. C. 215), as fully set forth in Senate Document No. 83, Seventy-eighth Congress, as follows:

Federal Works Agency, \$2,313.67;
Department of Agriculture, \$92.40;
Department of Commerce, \$97.78;
Navy Department, \$3,651.10;
In all, \$6,154.95.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts," on page 21, after line 23, to insert:

(b) For the payment of judgments, including cost of suits, rendered against the Government of the United States by United States district courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes," approved March 3, 1921 (46 U. S. C. 781-789), and which was certified to the Seventy-eighth Congress in Senate Document No. 80 under the Navy Department, \$6,688.72, together with such additional sum as may be necessary to

pay costs and interest as and where specified in such judgments or as provided by law.

The amendment was agreed to.

The next amendment was, on page 22, after line 11, to insert:

(c) For payment of the judgments rendered against the United States by the United States District Court for the Western District of North Carolina, Charlotte Division, pursuant to the law entitled "Conferring jurisdiction upon the United States District Court for the Western District of North Carolina to hear, determine, and render judgments upon the claims against the United States of I. M. Cook, J. J. Allen, Radiator Special Co., and the R. and W. Motor Lines, Inc.," approved October 14, 1941 (55 Stat. 958), and certified to the Seventy-eighth Congress in Senate Document No. 78 under the Federal Works Agency, Work Projects Administration, \$19,864.80.

Mr. McKELLAR. At the bottom of page 22, line 24, after the figures "\$19,864.80," I desire to offer the amendment I send to the desk, to perfect the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment on page 22, after the figures in line 24, it is proposed to insert a comma and the following "together with such additional sum as may be necessary to pay costs and interest as and where specified in such judgments or as provided by law."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was agreed to.

The next amendment was, on page 22, line 25, before the word "None", to strike out "(b)" and insert "(d)."

The amendment was agreed to.

The next amendment was, on page 23, line 4, before the word "Payment", to strike out "(c)" and insert "(e)."

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States Court of Claims," on page 23, line 11, after the word "in", to insert "Senate Document Numbered 79 and."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, all the other amendments, down to section 302, are amendments relating to audited claims, and I ask unanimous consent that they be agreed to en bloc. The Government has to pay the claims.

The PRESIDING OFFICER. Is there objection? The Chair hears none, the amendments referred to are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 23, after "Public Buildings Administration", to strike out "\$64,260.63" and insert "\$100,393.28."

On page 23, after line 18, to insert:

Veterans' Administration, \$1,293.13.

On page 23, after line 23, to insert:

Post Office Department, \$364,423.43.

On page 23, at the end of line 25, in the item for the Treasury Department,

to strike out "\$2,622.42" and insert "\$71,986.31."

On page 24, at the end of line 1, in the item for the War Department, to strike out "\$132,709.28" and insert "\$147,991.38."

On page 24, line 2, after the words "In all", to strike out "\$232,578.66" and insert "\$719,064.86."

On page 33, after line 16, to insert:

Sec. 204. (b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (31 U. S. C. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1940 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (5 U. S. C. 266), as fully set forth in Senate Document No. 84, Seventy-eighth Congress, there is appropriated as follows:

The Judiciary: For fees and expenses of conciliation commissioners, United States courts, \$25.

Independent offices: For Securities and Exchange Commission, \$24.06.

For motor transport regulation, Interstate Commerce Commission, \$44.13.

For salaries and expenses, Civil Service Commission, \$47.14.

For administrative expenses, Public Works Administration, \$7.07.

For general administrative expenses, Public Buildings Administration, \$72.80.

For operating supplies for public buildings, Public Buildings Administration, \$497.31.

For salaries and expenses, Veterans' Administration, \$119.20.

Department of Agriculture: For salaries and expenses, Soil Conservation Service, \$20.55.

For salaries and expenses, Bureau of Animal Industry, \$12.50.

For salaries and expenses, Bureau of Entomology and Plant Quarantine, 50 cents.

For acquisition of lands for protection of watersheds of navigable streams, \$550.

For salaries and expenses, Forest Service, \$3.65.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation), \$380.89.

For conservation and use of agricultural land resources, Department of Agriculture, \$325.64.

For land utilization and retirement of submarginal land, Department of Agriculture, \$480.

For liquidation and management of resettlement projects, Department of Agriculture, \$249.50.

For loans to farmers in drought- and storm-stricken areas, emergency relief, \$23.27.

Department of Commerce: For Civil Aeronautics Authority fund, \$6,920.

For establishment of air-navigation facilities, Civil Aeronautics Authority, \$1,737.50.

For increase of compensation, Department of Commerce, \$69.50.

For salaries, Patent Office, \$1,243.34.

Department of the Interior: For migratory bird conservation fund, Department of the Interior (receipt limitation), \$283.40.

For Indian school support, \$93.

For purchase and transportation of Indian supplies, \$23.71.

Department of Justice: For salaries and expenses, Lands Division, Department of Justice, \$15.

For salaries and expenses of marshals, and so forth, Department of Justice, \$13.52.

Navy Department: For engineering, Bureau of Engineering, \$29,254.

For rebuilding and repairing stations, etc., Coast Guard, \$20.

For pay, subsistence, and transportation, Navy, \$1,673.49.

For aviation, Navy, \$33,766.56.

For aviation, 1938 contracts, Navy, \$585.60.

For miscellaneous expenses, Navy, \$1.35.

For maintenance, Bureau of Supplies and Accounts, \$1.05.

For contingent expenses, Coast Guard (Navy), \$15.78.

For general expenses, Lighthouse Service, Coast Guard (Navy), \$60.69.

Treasury Department: For collecting the internal revenue, \$24.92.

War Department: For clothing and equipment, Army, \$62.40.

For Signal Service of the Army, \$36,492.91.

For citizens' military training camps, \$1.62.

For travel of the Army, \$45.75.

For Army transportation, \$125.28.

For pay of the Army, \$7.18.

For increase of compensation, Military Establishment, \$36.99.

For Civilian Conservation Corps (transfer to War), \$1,676.49.

For emergency conservation fund (transfer to War, act March 31, 1933), \$37.30.

For emergency conservation fund (transfer to War, act June 19, 1934), \$40.61.

For loans and relief in stricken agricultural areas (transfer from emergency conservation work to War, act June 19, 1934), \$9.58.

For emergency conservation work (transfer to War, act February 9, 1937), \$20.16.

Total, audited claims, section 204 (b), \$117,251.89, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency and interest as specified in certain of the settlements of the General Accounting Office.

On page 38, line 8, after the word "in", to insert "Senate Document Numbered 85, and"; and in line 9, after the numerals "227", to strike out "\$5,857.99" and insert "\$5,973.67."

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Title III—General Provisions," on page 39, line 6, after the word "appropriations", to strike out "contained herein" and insert "in this act in whole or in part for the fiscal year 1944."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. McKELLAR. Mr. President, I wish to offer an amendment, but I yield to the Senator from Arizona, who wishes to offer one.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 13, after line 20, it is proposed to insert the following:

BUREAU OF RECLAMATION

General fund, construction: For continuation of construction of the following project in not to exceed the following amount, to be expended from the general fund of the Treasury in the same manner and for the same objects as specified for projects in the Interior Department Appropriation Act, 1944, under the caption, "Bureau of Reclamation," fiscal year 1944, to remain available until expended, and to be reimbursable under reclamation law:

Central Valley project, California, \$1,900,000, which amount shall be available for the

construction of the Shasta Dam-Oroville transmission line and terminal facilities.

Mr. HAYDEN. Mr. President, I wish to explain to the Senate that we expect to go into conference on the Interior Department appropriation bill at 3 o'clock this afternoon, and I am offering this amendment as a means of more quickly arriving at a conclusion or adjustment of the differences between the two Houses on that bill.

As the bill passed the Senate, in accordance with the action taken by the Senate a year ago in respect to this transmission line, if the Government of the United States is going to spend some \$300,000,000 for construction of a great reclamation project, to be paid for in large part by the sale of power, it was thought we should have more than one customer for the power. The only way to get more than one customer for the power is to be able to transmit the power down into the heart of California.

My own judgment is that in the end probably the great utility there, the Pacific Gas & Electric Co., will be the purchaser of 85 or 90 percent of the power. Nevertheless, the Department of the Interior would be in a better bargaining position if it were able to transmit some power into the power market.

Mr. President, in the Interior Department appropriation bill the Senate adopted a provision in these identical words, but unfortunately a parliamentary situation developed in the House whereby the House had no opportunity to vote upon it as a separate, substantive proposition. If it can be voted on in connection with the pending bill, it will be taken out of the other bill as an issue. If not, we shall have much controversy with the House, and delay, until the House votes on the matter as a separate proposition. It seemed to me that the simplest way to dispose of the matter.

Mr. NYE. Will the Senator yield just long enough so that, as a member of the conference committee, I may express the hope that the Senate will give consent to the procedure the Senator has suggested?

Mr. HAYDEN. I thank the Senator.

Mr. McCARRAN. Mr. President, I think this matter should have an entirely different consideration from what will be given to it under the procedure proposed. This is a matter which has been before the Senate for 2 years. Last year the Committee on Appropriations of the Senate specifically wrote into the report a provision that the Bureau of Reclamation, or the Interior Department, and the Pacific Gas & Electric Co., which is the public-service company of the State of California, should immediately, in the spirit of the war emergency, get together, and that a contract should be worked out so that the power which would be generated at Shasta Dam might be utilized as speedily as possible.

At that time it was considered that 225,000 kilowatts would be produced at Shasta Dam. Since that time the War Production Board has limited the production from the Shasta Reservoir to 150,000 kilowatts. Up to the present

time no power has been generated at Shasta Dam. The record discloses, and it is practically undisputed, that the Pacific Gas & Electric Co., the public service company for the State of California, has tried time after time to negotiate a contract with the War Department in the spirit of the direction by the Congress of the United States. The record shows that the Interior Department has jumped back and forth, from one excuse to another. At no time was the contract entered into. In my judgment the contract might well have been entered into, and I speak now of my own judgment based on the record as made before the Appropriations Committee between the Interior Department and the Pacific Gas & Electric Co., a long time ago, and it should have been made a long time ago.

Provision is made in the bill that when power is generated at the Shasta Dam a 25-mile line shall be built to convey the power from the Shasta Dam to what is known as the Shasta substation. While the Pacific Gas & Electric Co. is ready, willing, and able to construct the line from the Shasta substation to the Oroville substation, the Reclamation Bureau is determined to spend \$1,900,000 of the Government's money to build that line notwithstanding the fact that the Shasta substation and the Oroville substation, 75 miles apart, are both the property of the Pacific Gas & Electric Co. The Pacific Gas & Electric Co. is the only agency which has a transmission system which can utilize the power which is to be generated at the Shasta Dam.

The Pacific Gas & Electric Co. is ready, willing, and able, and offers to take all the power which may be generated at the Shasta Dam, and the Interior Department engineers testified before the Committee on Appropriations of the Senate that the rates which are charged and the rates which are proposed to be charged by the Pacific Gas & Electric Co. for the distribution of the Shasta power are as low as they could feasibly be made by the Interior Department were the Interior Department to be the distributing agency.

Mr. President, the House Appropriations Committee refused to appropriate the item of \$1,900,000 for the construction of this power line between the Shasta substation and the Oroville substation. The item is in conference, in dispute between the two Houses. Although the conference report has not been returned to the Senate for the Senate's approbation or rejection, now it is proposed to take the item out of the Interior Department appropriation bill, where it properly belongs, if it belongs anywhere, and to place it in the pending deficiency appropriation bill. Mr. President, I say in all fairness, that is not a fair way to deal with the question. The Senate committee has not studied the subject. It has not been presented as fully to the Senate as it should be. The Senate should not now be called upon to vote upon an item of this kind, of such vital importance, in a deficiency appropriation bill, and I certainly shall op-

pose the proposal to the full extent of my ability.

Mr. WHITE. Mr. President—

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Nevada yield to the Senator from Maine?

Mr. McCARRAN. I yield.

Mr. WHITE. I have some recollection of the discussion of this matter in the committee, although it is far from clear in my mind. May I ask the Senator from Nevada, was not this matter under consideration in the last Congress?

Mr. McCARRAN. The matter was under consideration in a slightly different form, but the same principle was involved.

Mr. WHITE. The substance was the same?

Mr. McCARRAN. The same principle was involved. The matter was under consideration in the appropriation bill then current, the 1942-43 appropriation bill, and as a result the Appropriations Committee wrote a provision into the measure that the Interior Department and the Pacific Gas & Electric Co. should immediately, because of the emergency, agree on a contract, and it was further provided that if any advantage should accrue to one of the contracting agencies arrangements should be entered into whereby the advantage should not continue in effect, and that recoupment should be made to the party disadvantaged.

Mr. WHITE. Was the matter considered before the Appropriations Committee when the Interior Department appropriation bill was prepared this year?

Mr. McCARRAN. The matter was again before the Appropriations Committee when the committee was considering the Interior Department appropriation bill. The matter was considered by the subcommittee. A voluminous record of evidence was taken as to why the contract called for by the Congress had not been executed, as to the merits of the item, as to whether or not the Pacific Gas & Electric Co. was ready and willing to construct this line, as to how much power would be generated, as to who would handle the power—everything was gone into at length before the Appropriations Committee of the Senate, and the Senate adopted the item without any notice whatever being taken, although a vote was had on the item in the Appropriations Committee. The item was inserted in the bill by a vote of the Appropriations Committee, and the Senate voted to retain it in the bill. The House again refused to appropriate for the item.

Mr. WHITE. Do I correctly understand that the matter is now in conference between the two Houses?

Mr. McCARRAN. It is now in conference as an unsettled question between the House of Representatives and the Senate on the appropriation bill. Now when the matter is still in conference it is proposed to pick it out of the appropriation bill, where it was considered by all concerned, and to place it in another and different bill.

Mr. WHITE. Is the amendment now offered recommended by the committee,

or is it sponsored by the Senator from Arizona on his own responsibility.

Mr. HAYDEN. Mr. President, this morning the Senate conferees on the Interior Department appropriation bill held a meeting to consider what our action should be with respect to the conference we are to hold with conferees on the part of the House.

Mr. WHITE. But the Appropriations Committee of the Senate has not authorized the offering of the amendment to this particular bill?

Mr. HAYDEN. No. I wish to state that the conferees on the part of the Senate held a meeting this morning, realizing that if we could not get this controversial matter out of the conference report, it was very likely that the Interior Department bill would be tied up for a long time. Our difficulty is that when the vote was taken in the House on the proposal, it was not on the text which the Senate adopted. The motion was made in this way: There was a Budget estimate of \$24,000,000 for the Central Valley project; the proponents of the motion in the House proposed to reduce that to \$15,000,000, of which \$1,900,000 should be for the transmission line.

So far as I could learn, many Members of the House who were favorable to appropriating the full amount for the project might have been opposed to the present proposal, or they might have been favorable to it. However, when the amount to be appropriated for the entire project was reduced from \$24,000,000 to \$15,000,000, of course they would not agree to anything. So the matter is complicated in that way.

What we hope to do is to ask the House to vote separately on the item for the particular transmission line. So far as I am concerned, and I desire to be very frank, if the House of Representatives by majority of vote refuses to appropriate money for the transmission line we shall have to eliminate it from the pending deficiency bill.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. WHITE. May not the conferees on the Interior Department appropriation bill reach an agreement identical with the proposal the Senator now is advancing?

Mr. HAYDEN. I am quite sure they will not.

Mr. WHITE. Could they not do so if they saw fit?

Mr. HAYDEN. I suppose that by unanimous consent, which is not obtainable, the matter could be brought to a separate vote in the House. However, the parliamentary tangle in the other body makes it impossible to have this proposition considered in any manner on its merits, other than as the Senate conferees now request. I was instructed to offer the amendment on behalf of the conferees.

Let me say that I have no quarrel at all with the statement made by the Senator from Nevada with respect to the main facts. However, I disagree with him in this respect: There was very violent disagreement in the testimony be-

fore the committee as to who was responsible for the failure to come to an accord as Congress directed last year. The power company says it is the fault of the Secretary of the Interior. The Bureau of Reclamation and the Secretary of the Interior say it is the fault of the power company. I do not know whose the fault is.

We repeat our request in our committee report, urging them to get together if they can.

I desire to ask the Senator from Nevada a question, if I may. Does he concede that if nothing is done about the construction of the transmission line, there then will be but one purchaser for the power?

Mr. McCARRAN. Not any more than if the line is constructed. There is now only one purchaser for the power. That is conceded by everyone. The Pacific Gas & Electric Co. has all the distribution lines for the entire Central Valley region of California. The Pacific Gas & Electric Co. is the only agency that can take the power when it is generated at the Shasta Dam.

Mr. HAYDEN. Of course, that is violently disputed by the Interior Department, who say that if they are permitted to take the power to central California they can find a number of purchasers for it.

Mr. McCARRAN. But the Senator will concede that the Interior Department have not a single line with which to carry a kilowatt of the power.

Mr. HAYDEN. They never will have unless we appropriate the money.

Mr. McCARRAN. We are not proposing to do that now, but only to appropriate for a tie line between two substations.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHITE. It struck me as a rather extraordinary situation that there should be included in one appropriation bill an amendment substantially similar to this one, and then, because that appropriation bill has not made satisfactory progress either in the other body or in the conference, that a similar proposition should be inserted in a second appropriation bill.

Mr. McCARRAN. Let me point out the situation. Suppose the Senate refuses to adopt the item now referred to. The item is still in the appropriation bill. Suppose the Senate agrees to the suggestion of the Senator from Arizona. The item is still in the appropriation bill. The conferees have no power to take the item out of the appropriation bill.

Mr. HAYDEN. The Senator is mistaken. We can take it out instantly if we want to.

Mr. McCARRAN. Why do you not do so now?

Mr. HAYDEN. We want the House of Representatives to pass on it.

Mr. McCARRAN. I beg the Senator's pardon; the House of Representatives has on two occasions passed on the item. The House Appropriations Committee refused to submit the item to the House in the first instance. Secondly, when it went back the other day, the House voted

on it; and this item was included in the motion made by the—

Mr. HAYDEN. Let me ask the Senator another question. There was no vote in the House to insert the matter, when the bill was originally reported. The vote had a few days ago was to cut the amount from the \$24,000,000 authorized by the Bureau of the Budget to \$15,000,000, of which \$1,500,000 would be allowed for the transmission line. Those who wanted the full amount voted "no"—not against the transmission line, but against the amount of money proposed for the project. Unfortunately, that is the way it happened. The only way I know to handle the matter is to take the item out of the Interior Department appropriation and let the House vote on it separately as an amendment to the pending bill.

Mr. McCARRAN. Mr. President, I desire to read from the report, if I may do so. Meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Reynolds
Austin	Hill	Robertson
Barkley	Holman	Russell
Bone	Johnson, Colo.	Scruggam
Bridges	Kilgore	Shipstead
Brooks	La Follette	Smith
Burton	Langer	Stewart
Butler	Lucas	Taft
Byrd	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Caraway	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Millikin	Wagner
Davis	Moore	Wallgren
Downey	Murdock	Walsh
Ellender	Nye	Wheeler
Ferguson	O'Daniel	Wherry
George	O'Mahoney	White
Gerry	Overton	Wiley
Guffey	Radcliffe	Willis
Gurney	Reed	
Hawkes	Revercomb	

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. I challenge the right of the conference committee to take an item out of a bill submitted to it in conference and resubmit it to one of the Houses in connection with an entirely different bill on an entirely different subject.

Mr. HAYDEN. Mr. President, I should like to be heard on the point of order.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. HAYDEN. The Congress has passed a special act authorizing the construction of the Central Valley project, including power plants, transmission lines, irrigation works, and every other phase, so this amendment is in order because it is authorized by law.

Mr. McCARRAN. Mr. President, it has already been adopted by the Senate and is pending in conference. No matter what the Senate may do with this item now, it will still be in conference on the appropriation bill.

The PRESIDING OFFICER. The Chair holds that the conferees on the bill can recede at any time the conference committee is in session. The Chair further holds that the item is now in order on the pending bill.

Mr. McCARRAN. Mr. President—

Mr. McKELLAR. Mr. President, while so many Senators are present, I wonder if the Senator will yield to me long enough to offer an amendment which I think is of very great importance to every Senator. It will take only a moment.

Mr. McCARRAN. So long as I do not lose the floor, I have no objection.

Mr. McKELLAR. I assure the Senator that he will not lose the floor.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Arizona [Mr. HAYDEN] is temporarily laid aside so that the Senator from Tennessee [Mr. McKELLAR] may offer an amendment.

Mr. McKELLAR. Mr. President, I desire to offer an amendment which is legislative in character. Probably it can be put in the bill only by unanimous consent. I ask unanimous consent that it may be offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the amendment will be stated.

The CHIEF CLERK. On page 4, after line 12, it is proposed to insert:

OFFICE FOR EMERGENCY MANAGEMENT

WAR MANPOWER COMMISSION

NATIONAL YOUTH ADMINISTRATION: Upon the application within 60 days of any State or State board of vocational education, or county or county board of education, any building, accessory, equipment, tools, or machinery of any type heretofore in use by the National Youth Administration and located in such State and county shall be transferred by the Procurement Division of the Treasury Department to any such applicant without compensation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. McCARRAN. Mr. President—

Mr. HAYDEN. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. HAYDEN. I have just been conferring with Senators, and there seems to be another way by which the issue between the two Houses might be settled. Not very much can happen between now and the time when the Congress will reconvene after Labor Day, at which time the Department of the Interior can submit a budget estimate to Congress containing this text. There will be a deficiency bill, on which that budget estimate will be in order. We can debate it, and it can be voted on in both Houses as a separate item. Under those circumstances I desire to withdraw my amendment and yield in the conference report, with the distinct understanding that the matter will be handled in that way.

Mr. McKELLAR. I hope the Senate will agree to that arrangement.

The PRESIDING OFFICER. The amendment of the Senator from Arizona is withdrawn.

Mr. McKELLAR. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 12, it is proposed to insert:

OFFICE FOR EMERGENCY MANAGEMENT

Office of War Information: The second paragraph under the caption "Office of War Information" contained in the National War Agencies Appropriation Act, 1944, shall not prevent the preparation and distribution to the public of the United States Government Manual.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment, for insertion at the proper place in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill—

Mr. WHITE. Mr. President, is this an amendment offered by the Senator from Tennessee?

Mr. McKELLAR. Yes.

Mr. WHITE. Will the Senator identify the particular place in the bill?

Mr. McKELLAR. It will have to be inserted in the proper place. May the amendment be stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

SUPPLEMENTAL ESTIMATE, FISCAL YEAR 1944— WAR DEPARTMENT—GENERAL PROVISIONS

Appropriations for the Military Establishment and for civil functions administered by the War Department for the fiscal year 1944 may be used for carrying into effect the act entitled "An act to provide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities of the War Department or of the Army," approved July 3, 1943 (Public Law —, 78th Cong.).

Mr. McKELLAR. Mr. President, this has just been sent down by the War Department. It seems on its face to be proper, but we will take it to conference and work it out there.

Mr. LA FOLLETTE. Mr. President, there is so much confusion in the Chamber that I could not hear what the Senator said. What is the purpose of the amendment?

Mr. McKELLAR. It permits settlement, by the authority of the Secretary of War, of claims for damages to or loss or destruction of property or for personal injury or death caused by military personnel or civilian employees, limited to reasonable medical, hospital, and burial expenses.

Mr. LA FOLLETTE. Is there any limit on the claims?

Mr. McKELLAR. No. That is why I said I would take it to conference. There

seems to be no limit as to the first paragraph of it. For that reason I concluded that I would ask only that it go to conference.

Mr. LA FOLLETTE. I hope the Senator will scrutinize it very carefully. It seems to me it would be a grave mistake to give unlimited authority for this purpose.

Mr. McKELLAR. That is exactly what I thought about it and why I suggested that it be taken to conference.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. OVERTON. I hope the amendment will be agreed to because otherwise, as I understand, such claims, however meritorious they may be, have to be taken up by special bills. We would have a flood of relief bills to take care of such claims.

Mr. WHITE. What the Senator from Louisiana has said, I venture to say, has become a reality with many of us in respect to claims of this nature now coming into our respective offices. I had assumed there was authority under the law to settle such claims up to a certain amount. Does the Senator know whether there is a law providing for that?

Mr. McKELLAR. Yes; there is such a law applying to amounts from \$500 to \$1,000.

Mr. WHITE. Of course, that is a small jurisdiction and limited authority. I quite agree that something of this nature should be done.

Mr. McKELLAR. I thank the Senator. The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 19, after line 15, it is proposed to insert:

United States Soldiers' Home: For an additional amount for the maintenance and operation of the United States Soldiers' Home for the fiscal year 1944, to be paid from the Soldiers' Home permanent fund (trust fund), \$80,820.

Mr. McKELLAR. Mr. President, this request comes from the Soldiers' Home, and is presented by General Coleman, the Governor of the home. He submitted it to the Bureau of the Budget. The Bureau of the Budget has not sent in a formal estimate, but we had the testimony of General Coleman before us a short time ago, and I am quite sure a considerable saving can be made by granting this appropriation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The amendment was agreed to.

Mr. NYE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota will be stated.

The CHIEF CLERK. On page 12, after line 13, it is proposed to insert the following:

Department of Agriculture, Federal crop insurance, administrative and operating expenses: For an additional amount for operating and administrative expenses under the Federal Crop Insurance Act, approved February 6, 1938, and as amended (7 U. S. C. 1501-1518; 55 Stat. as amended), fiscal year 1944, \$4,318,748, and the proviso contained under this caption in the Department of Agriculture Appropriation Act of 1944 is hereby repealed.

Mr. NYE. Mr. President, for days the Senate has listened to a discussion concerning the inability on the part of the Senate to obtain a fair reaction from the House of Representatives to the subject of crop insurance. I shall detain the Senate no longer than to invite attention to the fact that earlier in the day, when the crop insurance item was under consideration, I gave notice of my intention to move as I have now moved. At that time the chairman of the Senate conferees on the agricultural appropriation bill indicated that he would urge the adoption of this amendment.

Mr. President, I move the adoption of the amendment.

Mr. RUSSELL. I hope there will be no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I believe that concludes the amendments.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 3030) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. LODGE, and Mr. HOLMAN conferees on the part of the Senate.

APPROPRIATIONS FOR WAR AGENCIES IN THE EXECUTIVE OFFICE OF THE PRESIDENT—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 4, and 29.

That the House recede from its disagreement to the amendments of the Senate

numbered 7, 9, 10, 13, 15, 16, 17, 18, 22, 26, 30, and 31; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$155,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: Omit the matter inserted by said amendment, and restore the matter stricken out by said amendment, amended to read as follows: "sum not less than \$56,000,000 shall be allocated for direct obligations of local war price and rationing boards; sums under such appropriation of \$155,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Provided further, That no part of this appropriation shall be directly or indirectly used for the payment of the salary or expenses of any person who directs the formulation of any price policy, maximum price, or price ceiling with respect to any article or commodity unless, in the judgment of the Administrator, such person shall be qualified by experience in business, industry or commerce; but this limitation shall not apply to the Administrator or Acting Administrator as the case may be, in considering, adopting, signing, and promulgating price policies, maximum prices, or price ceilings formulated and prepared in compliance herewith"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$30,735,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$14,091,300"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$33,222,504"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$24,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and not more than \$2,750,000 shall be allocated to the Domestic Operations Branch for the following functions only: Office of the Director, including book and magazine coordination sections; Office of Program Coordination; News Bureau; Bureau of Special Services; Radio Bureau; Motion Picture Bureau, not exceeding \$50,000; and for accumulated leave of eliminated employees, for liquidation of organization units herewith reduced or discontinued, and for carrying out partly completed contracts made in organization units herewith reduced or eliminated, not exceeding \$500,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amend-

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

(By unanimous consent, Mr. KENNEDY was granted permission to extend his own remarks in the RECORD.)

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Sheboygan Press of June 23, 1943.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances: First, in connection with the Governor of Louisiana, and, in the other, in connection with the Smith-Connally antistrike bill.

The SPEAKER. Is there objection? There was no objection.

[The matters referred to appear in the Appendix.]

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article by Frank C. Waldrop.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3030) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

APPROPRIATIONS FOR WAR AGENCIES IN THE EXECUTIVE OFFICE OF THE PRESIDENT, 1944

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from

the Speaker's table the bill (H. R. 2968), making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes, with Senate amendments, further insist upon the House disagreement to amendments Nos. 33 and 34, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

J. FRANK MEADOR

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1334), an act for the relief of J. Frank Meador, with Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows.

Page 1, line 5, strike out all after "appropriated," down to and including "1942" in line 10 and insert "to J. Frank Meador, of Atlanta, Ga., (1) the sum of \$500 in a lump sum as soon as practicable after the date of enactment of this act and (2) the sum of \$100 per month for each month beginning with the month in which this act is enacted and ending with the twentieth month for which such payments of \$100 are made or the month preceding the month of death of the said J. Frank Meador, whichever may be the earlier; the payment of such sums to be in full satisfaction of all claims against the United States for compensation for personal injuries sustained by the said J. Frank Meador as the result of having been struck by a bicycle operated by a special-delivery messenger of the Atlanta post office on June 30, 1942."

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

GEN. WLADYSLAW SIKORSKI

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I rise at this moment to report to the House the untimely, unfortunate, and tragic death of a great soldier, statesman, and patriot, a man of great ability and renown, who was recognized as a brilliant military leader, as a strategist and tactician. I refer to the esteemed and noble Wladyslaw Sikorski, Prime Minister of Poland and commander in chief of the valiant Polish Army. His sudden death in the crash of a British aerial transport cuts short a brilliant and most promising career which held so much substance for the emancipation and future of his beloved country and for the saddened people of Poland. His passing creates a

great and unprovided emergency affecting deeply and vitally the councils of the United Nations. The void thus created must and will be filled by a worthy and able successor, worthy of the trust and of the confidence of his own people and of an anxious and bereaved world. Mr. Speaker, there is nothing I can say that would add one iota of credit or luster to the name, fame, or accomplishment of this great man. It is not my purpose therefore to eulogize General Sikorski whom I was privileged to know, to break bread with, and to discuss subjects of importance. It is my intent to place my humble, verbal wreath in tribute to his memory and to offer a silent yet fervent prayer that God shall grant unto him and all those who perished with him that eternal and heavenly peace which the world cannot give.

Mr. MONKIEWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONKIEWICZ. Mr. Speaker, I also wish to join my colleagues in expressing the sorrow of the very many people caused by the passing of Gen. Wladyslaw Sikorski, Premier of the Polish Government-in-exile and commander of its armed forces. He died last night when a Liberator plane in which he was traveling crashed shortly after taking off from Gibraltar. The plane crashed into the sea shortly after its take-off; all of the passengers and the crew, except the pilot were killed. It is pathetic that among the passengers and victims was General Sikorski's daughter, Mrs. Sophia Lesniowska, 26, who was traveling with her father as liaison officer between the London headquarters of the Polish Auxiliary Territorial Service—women's forces—and the Middle East. She was wearing an A. T. S. uniform. Her husband is a prisoner of war in Germany.

General Sikorski had been visiting Polish armed forces in the Middle East and was in Cairo as recently as last Friday.

His death came at a moment when the forces which he had been organizing to fight for the liberation of Poland were at last ready to take part in the offensive they had been planning since September 1939, when their country fell before the German invaders.

General Sikorski, the leader of the Polish Nation-in-exile, was a man worthy of those whom he led, under the White Eagle of Poland. He was the Polish Premier and the commander in chief of all of the Polish armed forces and was a man who has proved his worth in times of hardship and was by destiny the one to whom all the Poles looked forward to to lead his government to the greatness in the times of peace. His voice, was that traditional of the freedom-loving Poles and cried aloud at all times: "We fight for our liberty and yours." He had known the hardship of battle and was familiar with the vicissitudes inflicted upon his nation by the German invader under the leadership of the hangman Hitler.

He was born May 20, 1831, in southern Poland, the son of a gentleman farmer. His father died when he was but a child of 3, and at the age of 15 years he started to pay his own education in Krakow and later at Lwow Technical University College. He was a brilliant student of civil engineering and a general of the military arts of the first magnitude.

His whole life was devoted to the cause of Polish independence. He was on a mission to the ancient city of Bagdad where he had inspected the troops of Poland, where he declared they were ready and fit to fight in accordance with their training and ideals. Just 3 hours before the plane on which he died crashed into the sea, he sent on the eve of the one hundred and sixty-seventh Independence of the American Colonies a message to the President of the United States in which he expressed the warmest felicitations and friendship of the subjugated but yet unconquered Polish Nation to the people of America, and he expressed his firm conviction that the United States of America will ever be ready to stand by and defended the cause of conquered nations as expressed in the United Nations' pact.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I desire to join in paying a tribute and honoring the memory of Gen. Wladyslaw Sikorski who was killed yesterday in an airplane accident along with his staff near Gibraltar. He was commander in chief of the Polish Army and likewise Prime Minister of the exiled Polish Government, at London, England.

General Sikorski appeared twice before the Foreign Affairs Committee of the House of Representatives within the last year at executive sessions and presented to the committee fuller and more detailed information about the eastern European situation than anyone had done since the war began. He was an outstanding statesman and officer or he would not have been both the prime minister and the commander in chief of the Polish government in exile. His appearance and comments before the Committee on Foreign Affairs made a great impression upon me. He was a sincere friend of our institutions and of America.

As we know in America this war broke out in Europe back on September 1, 1939, because Great Britain and France guaranteed to uphold the territorial integrity of Poland. That is what General Sikorski likewise was endeavoring to uphold as well as to restore the independence of Poland as a free and sovereign nation.

In view of the fact that the preservation of the territorial integrity of Poland was the origin of the European war, the restoration of Poland's independence and its territorial integrity should be one of its main objectives. I hope that when this war has been won by an all-out victory that there will again be a free and independent Poland

based upon its pre-war territorial boundaries for which General Sikorski and the Polish people have fought, sacrificed, and died. I am opposed to a fifth partition of Poland and believe the American people will insist on the restoration of a free and independent Poland with its pre-war boundaries intact. If this is not done then General Sikorski and hundreds of thousands of patriotic Poles will have died in vain and millions of Poles will have endured the misery, suffering, human slavery, and starvation of a conquered nation likewise in vain. The memory of General Sikorski, a gallant soldier and an able statesman, lives on and will inspire and encourage the Polish people to continue the battle to restore a free and independent Poland.

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. SADOWSKI addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, the shocking death of Gen. Wladyslaw Sikorski, Prime Minister of Poland and Commander in Chief of the Polish Army, is a great loss to the God-fearing peoples of the world.

May the victory of the United Nations over our common enemies bring a well-earned reward to Poland for its faithfulness to her late leader, Gen. Wladyslaw Sikorski, who gallantly fought for freedom and liberty. May Poland emerge from this war with its boundaries restored.

That was the aim of General Sikorski, and that is the aim of the God-fearing peoples of the world.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BRADLEY] may extend his own remarks in the RECORD and include therein a radio address.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. HOPE asked and was given permission to extend his own remarks.)

PERMISSION TO ADDRESS THE HOUSE

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JARMAN. Mr. Speaker, I was deeply shocked and grieved a moment ago to receive from our distinguished colleague, the gentleman from Michigan [Mr. DINGELL], my first information that the great statesman, General Sikorski, is now lost to the world. I know all of you who have ever had the pleasure of meeting him or who are familiar with his career heartily share this grief and realization of the loss the world has suffered.

Along with the distinguished gentleman from New York [Mr. FISH] I sat in those executive sessions of the Committee on Foreign Affairs and marveled at the words of that distinguished gentleman as he sat across the table from me perfectly erect, thoroughly determined, and every inch a gentleman. I was so many times impressed that there was not only a great soldier and executive but a distinguished gentleman and patriot who was destined to contribute much to the future of his country and to the future of the world.

Mr. MRUK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point on the life and character of this distinguished statesman.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MRUK. Mr. Speaker, one of the great moving spirits in the Allied cause is dead—a champion of freedom for 33 years and more, a Polish statesman and soldier with deep feeling for the tragedy of his homeland under Nazi conquest and with unwavering faith that victory for his cause is certain, and that the victory will be followed by a rebirth of Poland.

We who met and talked with General Wladyslaw Sikorski in Washington a few months ago are shocked to learn that the Prime Minister of the Polish Government-in-exile, who was also the commander-in-chief of its armed forces, was killed last night when his plane crashed while he was on his way back to London from the Middle East.

Accompanying the General to death were other high officers and close associates of the Polish Army, and the General's daughter, who was a member of the Polish Auxiliary Territorial Service.

General Sikorski died in the very hour of fruition for plans long in development for participation of the free Poles in an invasion of Nazi-held Europe. He has been denied by death the opportunity and the privilege of again leading his countrymen into battle for liberty.

As an undergraduate civil engineer in central Poland, under the heel of Austria, he began his career in the cause of freedom, in the first decade of this century. He was the leader of a rifle society working for the liberation of Poland, in 1910. Subject to the Austrian draft at the beginning of the First World War, he obtained a transfer to the Polish legions, and by 1916 he commanded a regiment.

By his patriotic activities he fell into the hands of the Austrian authorities, but he won release and led the Polish war against the Bolsheviks. In 1920 he was in an important command in the battle of Warsaw. In 1921 he became the Polish chief of staff.

Freight Rate Discrimination

EXTENSION OF REMARKS OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 5, 1943

Mr. BRYSON. Mr. Speaker, I have addressed a letter to Chairman LEA, of the Interstate and Foreign Commerce Committee, copy of which is herewith enclosed as a part of my remarks along with an editorial from the Christian Science Monitor.

There are a number of bills before the Committee on Interstate and Foreign Commerce dealing with the question of freight rate discriminations and I sincerely trust that the committee will soon begin hearings and as promptly as possible report some measure dealing with this important situation.

The letter and editorial follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 5, 1943.

HON. CLARENCE F. LEA,
Chairman, House Interstate and
Foreign Commerce Committee.

MY DEAR MR. CHAIRMAN: Knowing that your committee has been heavily loaded with important measures dealing directly with the war program and hoping that upon our return from the short recess your calendar will be lighter, may I express the hope that the bill introduced by me designated as H. R. 2519 may soon be considered.

There can be no further justification, if ever there was, for the unjust sectional discriminations in freight rates. Let us now see to it that appropriate legislation is speedily passed dealing with this important issue.

Very respectfully,
JOSEPH R. BRYSON.

[From the Christian Science Monitor]

A CALL FOR EMANCIPATION

The South, that section of the United States which President Roosevelt denominated Economic Problem No. 1, now feeling the beneficial results of a great surge of emergency industrialization, hopes that its wartime gains can be extended so that it can escape the stigma of being called the Nation's problem child.

At the same time, its economic and political leaders point out that the South's status is not its fault. A northern industrial oligarchy, it is contended, was largely responsible for inflicting economic handicaps which have held Dixie in virtual bondage ever since the Civil War.

The magazine *Fortune*, in its July issue, takes cognizance of this condition. A sub-head under the title of the article "The Deep South Looks Up," reads: "It sees an opportunity, with northern aid, to join the Union." The economic shackles on the South are listed by *Fortune* as the protective tariff, the uneven freight-rate structure, and the North's almost complete financial control of the South.

The tariff has always been a thorn in the side of the South—as, indeed, it has been to American agriculture in general. For generations, protection has increased the price of practically everything the farmer has had to buy, and its compensations have been small. Retaliatory tariffs, in particular, have prevented the South from marketing its sur-

plus cotton abroad. The resultant reduced income kept the South poor.

The second handicap is the arbitrary division of the United States into freight-rate territories, which not only hampered the South in competing with northern producers in heavily populated regions, but actually discouraged the establishment of new or enlarge industries and the legitimate exploitation of natural resources below the Mason and Dixon's line. *Fortune* points out that it "costs 50 percent more to ship an auto storage battery from Jacksonville, Fla., to Washington, D. C., than from Chicago to Washington, 6 miles farther." This is a sample of rates affecting many competitive raw materials and manufactured articles.

The South is in an excellent position to become the center of post-war light-metal, chemical, and plastic industries because of the huge pool of cheap Tennessee Valley Authority power. The region has semi-skilled labor in quantity. The correction of the inequalities in rail and truck freight rates should be the first step toward emancipation of the South. Also, continued support for the Hull trade treaties in the future and a reexamination of the tariff laws at the first opportunity should be on the agenda of the post-war administration in Washington if equality of opportunity is to be something more than a mere phrase.

Crop Insurance

SPEECH

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 5, 1943

Mr. LEMKE. Mr. Speaker, last week when the crop-insurance matter came up the chairman of the House conferees, the gentleman from Georgia [Mr. TARVER], promised to give me some time in the discussion, if he gave anyone any time, but then he moved the previous question and kept his promise. I find no fault with that.

But I find this matter is still in dispute, that the Senate has refused to concur in the House position, and that the House conferees have refused to meet with the Senate conferees. I feel that this is an arbitrary position on the part of the House conferees. I feel that they should submit to the rule of reason rather than to the rule of stubbornness. I think it is unjust and unfair and setting a dangerous precedent for the House conferees to refuse to meet and discuss any matter in disagreement between the House and Senate. In this particular case the Senate is right, and you Members of the House are selling the farmers down the river, especially when you refuse to carry out the 3-year contract your Government made with these farmers. You might at least discuss the issue and reach a compromise by carrying out the contract that has been made.

I here give you the wheat and cotton contracts in force in the different States that you are arbitrarily canceling. I will also give the yearly growth in popularity by years. This will show that all of the statements made on the floor were not correct:

Crop-insured farms

Wheat contracts by States:

Nebraska.....	67, 000
Kansas.....	42, 000
Ohio.....	40, 000
Michigan.....	32, 000
Indiana.....	32, 000
Missouri.....	30, 000
Illinois.....	29, 000
Oklahoma.....	22, 000
Minnesota.....	20, 000
North Dakota.....	13, 000
South Dakota.....	9, 000
Texas.....	9, 000
Pennsylvania.....	7, 000
Colorado.....	4, 000
Oregon.....	4, 000
Maryland.....	2, 500
All others.....	124, 000

Total..... 487, 000

Cotton contracts by States:

Texas.....	54, 000
Georgia.....	25, 000
South Carolina.....	20, 000
Alabama.....	12, 000
Louisiana.....	11, 000
Oklahoma.....	9, 000
North Carolina.....	9, 000
Mississippi.....	9, 000
Arkansas.....	8, 000
Missouri.....	4, 000
All others.....	16, 000

Total..... 179, 000

Steady growth in popularity of Federal crop insurance

Farms insured:	
1939.....	165, 775
1940.....	379, 710
1941.....	420, 939
1942.....	503, 266
1943.....	512, 000

(All farms insured in 1943 under 3-year contracts. Some farms insured on both wheat and cotton.)

Mr. Speaker, it is apparent that a studied attempt has been made to misrepresent Federal crop insurance. An attempt has been made to show that it has been operated extravagantly. Senator Nye has shown that this attempt is not founded on fact. He gives the true picture of these operations, that it cost the Government about \$23,000,000 to provide approximately \$55,000,000 of benefits to the farmers who have suffered crop losses. Of this fifty-five million the farmers themselves contributed thirty-five million in premiums.

The Senator says:

Compared with the operation of private insurance companies, the Federal Crop Insurance Corporation has been administered very economically. * * * The expense ratio of the Corporation has been approximately 30 percent, as compared with a combined average of approximately 41 percent for stock and mutual fire insurance companies.

The cost of handling each wheat-insurance unit has been cut 56 percent since the first year beginning in 1939.

The excess of indemnities over premiums for wheat insurance has been reduced from 66 percent in 1940 to 49 percent in 1941, and to a low of 20 percent in 1942.

I am sorry, but if my colleagues persist in their blind opposition to agriculture, then there will be a day of judgment. In a democracy election day is judgment day. That is when the farmer will do his protesting. I repeat, I am afraid that unless this House

changes its attitude toward the farmer and the laborer that then there will be strange faces to greet us here. Unless you change your attitude you will have made a fourth term possible if not inevitable. This is not a threat—just plain common horse sense.

Congress Aids Hitler With Inflation Moves

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 5, 1943

Mr. PATMAN. Mr. Speaker, I am inserting herewith a letter that appeared in the Columbia (S. C.) Record of June 30, 1943. It is as follows:

CONGRESS AIDS HITLER WITH INFLATION MOVES
TO THE EDITOR OF THE RECORD:

Is it not full time our Congressmen were warned that lining up with Republicans who confess they'll cripple the President is aiding Hitler and Tojo to bomb us worse than we are bombing the Ruhr? Is it too late to warn them that opposing subsidies is heading toward inflation? I was in Germany when inflation struck there, and, believe me, inflation is hell. It can ruin any country.

Why blame the President for the impossibility of pleasing everybody? Why cry for ham and eggs and business as usual when our dear ones are dying at the front? Mistakes are unavoidable, but an unpardonable mistake is deliberately to cause inflation. God pity the middle and lower classes. Why are subsidies proper everywhere except where F. D. R. wishes to use them? In going beyond its prescribed lawmaking power and dictating the personnel and manner of execution of its laws, Congress robs the President of his constitutional executive powers. Why hamstring him by stirring up the hates which Hitler prophesied?

People's rights do not include the right to "git all you can while the gittin's good." Honor has no place for labor blocs and farm blocs and Republican and Democratic blocs groaning for votes and pie for dessert. What patriot expects not to suffer? Who should strive to profit but in the field of honor? What hero but greets the glory to suffer for freedom?

Election year is near and prophets of "grass'll grow in our streets" are again at their sounding boards, with crafty politicians knowing more than Pa and Ma and Uncle Joe and Aunt Mary. The result? Two-cent dollars!

This war is a long, long way from being won. Humanity's greatest tragedy is the treachery of man to himself. Greatness is reached only by cooperation. Whether a soldier on the front line or a soldier on the home line or a lawmaker or a law executor, you cannot escape that unforgettable warning: "Therefore, if the world goeth astray, in you is the cause."

Is it not full time, Mr. Editor, to sound the warning that inflation is hell?

Read what a wise man says of our President:

"When he first became President, the Nation's house was on fire. He put it out. Confidence was lost. He restored it and infused it into the hearts of the American people. The farmers were bankrupt. He made them solvent. Tens of thousands of shops and factories were closed. He opened them. Commerce was buried. He resurrected

it. Business was dead. He brought it to life. Prosperity was banished. He restored it. Millions were homeless. He housed them. Millions were half naked. He clothed them. Millions were hungry. He fed them. Millions were idle. He employed them. The country was defenseless and seething with unrest; revolution was just around the corner. Franklin Roosevelt has made the United States the arsenal of democracy, the fortress of liberty, the haven of happiness, and the home of content. In 19 centuries no other born of woman has ever rendered as much service to the hosts of toil, underprivileged, affliction, and distress as he has rendered them during the last 10 years."

Deliberately to create inflation by thwarting this man in the proper execution of his constitutional duty may needlessly cost the lives of millions of American boys such as yours and mine, may needlessly mean thousands of vacant chairs, and crepe on millions of American doors.

Is it not full time, Mr. Editor, that those who speak for us should speak constructive words and furnish cooperative aid? When a nation's existence is at stake it is certainly no time to play politics or flourish ignorance of economics. This is war! Not a home war of Americans against Americans, but a war of freedom against slavery!

THORNWELL HAYNES,
Columbia, S. C.

Why I Opposed Subsidies

EXTENSION OF REMARKS

OF

HON. NORRIS POULSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 5, 1943

Mr. POULSON. Mr. Speaker, my reason for opposing the President on this issue of subsidies was certainly not to be antiadministration, as some would attempt to label the opposition, but because I sincerely and firmly believe that subsidies are unsound and will lead to further inflation.

Now, let us discuss this subject in simple terms, confining ourselves to fundamental facts and truths, and by all means abandoning any form of demagoguery. I personally think it was unfair that the President labeled us, who opposed him, as people who wanted inflation. Such remarks do not add to unity when we feel that we have sound reasons for opposing subsidies. We were elected to legislate as we think best for the interest of the country, and that does not necessarily mean that we must be a "rubber stamp."

In the first place, my district represents a district of consumers, and therefore I am vitally interested in the food problem and the matter of cost of living. Consequently, I am opposed to inflation. What causes inflation? Every authority on economics has claimed that inflation results when our purchasing power exceeds the available commodities and articles to be purchased. In other words, there is more money in circulation than there are consumer goods in value, which causes the amount or selling price of the consumer goods to rise to meet the amount of circulating money

offered in purchasing certain goods. Mr. Roosevelt took note of the fact that an increase in consumer spending power which is already far in excess of the available supply of consumer goods, is a contributing factor to inflation. This being the case, it is obvious that any success which the administration has with its price roll-backs will simply add to the already excessive volume of consumer spending power. If prices should be reduced by 10 percent, for instance, the money which people thereby would not need to spend on food would be available for them to spend on something else. Unless this new surplus should be absorbed by taxes or savings, it would simply find its way into the inflationary stream.

Now, as the President has stated, it will take approximately \$2,000,000,000 to finance a complete subsidy and roll-back plan, and this means an additional \$2,000,000,000 placed in circulation. The only method by which this additional \$2,000,000,000, plus the already existing surplus of cash, can be siphoned off to avoid inflation is by forced savings or taxes, plus the original price control by O. P. A. Mr. Morgenthau has stated that the tax rate on the higher incomes has about reached the limit, so the bulk must fall upon the middle-class and lower-income brackets, or even a sales tax, which I do not welcome. In other words, the amount not collected in taxes will be passed on to future generations. Let us assume we save \$10 per year in the food costs, the cost of administration will be at least \$2.50 and the interest will be \$2.50, so the future taxpayers will be paying \$15.

As I understand, the real purpose of subsidies is to assist those who are definitely unable to absorb the 8-percent increase in the cost of living from May 1942, which is the figure Mr. Roosevelt gave us in his veto message. I have suggested, as others have, that instead of subsidizing the processors and allowing the advantages to go to all, that it should only apply to those in serious need, such as the low-income earner, the pensioner, and the persons of fixed salaries in the lower brackets. This could be handled in the form of food stamps and determined upon the basis of their earnings to be adjusted from time to time according to the changes. This is not new legislation, and it has been recommended by both Republicans and Democrats.

I realize that O. P. A. has made mistakes, but nevertheless I have supported O. P. A. and voted against all cuts in their budget, because I realized they needed sufficient money to control and regulate prices.

Here is another danger arising from general subsidies such as has been recommended. This danger is based upon past experience. All we have to do is refer to the past inequities of the minor farm-subsidy plans. This information was brought out on the floor of the House during debate: Last year California produced over 7 percent of the food alone of the Nation, not counting cotton, wool, and so forth, and obtained \$12,000,000 as subsidy, whereas Mississippi only produced 1.8 percent of the



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SECOND DEFICIENCY *June 5 '43*
APPROPRIATION BILL FOR 1943

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

SEVENTY-EIGHTH CONGRESS

FIRST SESSION

ON THE

SECOND DEFICIENCY
APPROPRIATION BILL FOR 1943

H.R. 3030

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

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U. S. DEPARTMENT OF AGRICULTURE
Office of Budget and Finance
Washington, D. C.

June 28, 1943

1. Mr. Wheeler,
2. Mr. Roberts,
3. Mr. [unclear],
4. Mr. Beach,
5. Mr. Pearson.

House Hearings on Second Deficiency Appropriation Bill, 1943:

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Liquidation of WPA, pp. 4-25.

Cost of Warehouse operation, p. 15.

Work-relief program, pp. 55-79, 101-104.

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Sugar and tobacco production, pp. 59-61.

Feeding of children, pp. 74-75.

Fishing industry, p. 75.

Farm workers, pp. 76-77.

Payments to Export-Import Bank, pp. 25-29.

Procurement Division, pp. 29-33.

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Federal property utilization, pp. 33-54.

Transfer of surplus equipment, pp. 33-43.

Disposition of funds, pp. 43-44.

Civil Service Commission, pp. 80-88.

National Resources Planning Board, pp. 88-93.

Liquidation of Board, pp. 88-93.

CPD

SECOND DEFICIENCY APPROPRIATION BILL, 1943

HEARINGS CONDUCTED BY THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF DEFICIENCY APPROPRIATIONS, MESSRS. CLARENCE CANNON (CHAIRMAN), CLIFTON A. WOODRUM, LOUIS LUDLOW, J. BUELL SNYDER, EMMET O'NEAL, LOUIS C. RABAUT, JED JOHNSON, JOHN TABER, RICHARD B. WIGGLESWORTH, WILLIAM P. LAMBERTSON, AND J. WILLIAM DITTER, ON THE DAYS FOLLOWING, NAMELY:

SATURDAY, JUNE 5, 1943:

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

STATEMENTS OF HON. JOHN J. KEEGAN, COMMISSIONER, AND WILLIAM McCaULEY, SECRETARY, UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

EMPLOYEES' COMPENSATION FUND

The CHAIRMAN. Mr. McCauley, you have submitted Document No. 220, covering a supplemental estimate of appropriation for the United States Employees' Compensation Commission for the fiscal year 1943, amounting to \$500,000. This is a deficiency item?

Mr. McCauley. Yes, sir.

The CHAIRMAN. The item will be included in the record at this this point, as follows:

Employees' compensation fund: For an additional amount, fiscal year 1943, for the payment of compensation provided by the act of September 7, 1916 (5 U. S. C. 785), as amended, including the objects specified under this head in the Employees' Compensation Commission Appropriation Act, 1943 \$500,000.

Mr. McCauley. Mr. Chairman, we have prepared a statement showing the status of the appropriation as of May 31, 1943.

The CHAIRMAN. Without objection the statement may be inserted in the record at this point.

(The statement is as follows:)

Status of appropriation as of May 31, 1943

Appropriation.....	\$6, 250, 000
Deficiency appropriation.....	1, 000, 000
Total appropriation.....	7, 250, 000
Less net disbursements from July 1 to May 31, 1943.....	6, 809, 242
Unexpended balance as of May 31, 1943.....	440, 758
Estimated cost, June 1 to 30, 1943.....	940, 000
Available funds, May 31, 1943.....	440, 758
Estimated deficiency.....	500, 000

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Status of appropriation as of May 31, 1943—Continued

MONTHLY DISBURSEMENTS

July-----	\$245,732	February-----	\$665,505
August-----	716,421	March-----	950,425
September-----	503,054	April-----	712,683
October-----	535,024	May-----	721,497
November-----	482,409		
December-----	695,667	Total-----	6,809,242
January-----	580,825		
Estimate, June-----			\$940,000
Probable total cost, 1943 estimate-----			7,749,000

INCREASE IN EXPENDITURES NOT ANTICIPATED

The CHAIRMAN. You received in your 1943 appropriation \$7,250,000, and now you are asking for an additional half million dollars?

Mr. McCAULEY. Yes, sir; that is correct.

The CHAIRMAN. Will you give us, Mr. McCauley, the need for this appropriation.

Mr. McCAULEY. The need for this additional \$500,000 is because of large increase in expenditures in recent months which we had not been able to anticipate. In the statement filed with the committee we have listed expenditures for the first 11 months of the fiscal year, by months. You will notice that expenditures beginning with March and continuing through May have been approximately 50 percent greater than during the first part of the fiscal year. We have estimated that the minimum total cost for the fiscal year will be \$7,749,000 and since we have only \$7,250,000 available there will be a deficiency of approximately \$500,000.

The committee probably knows there has been a very substantial increase in the number of cases reported under the Federal Employees' Compensation Commission Act. That is explained, of course, by the expansion of the Government service generally.

The CHAIRMAN. What is your balance at the present time?

Mr. McCAULEY. We had a balance May 1, 1943, of \$440,758.

The CHAIRMAN. How long will that last until you will have to have additional funds?

Mr. McCAULEY. We estimate the month of June will require \$940,000.

INJURIES REPORTED AND CLAIMS RECEIVED

The CHAIRMAN. What is the number of claims coming in by months?

Mr. McCAULEY. I do not have the report by months with me.

The CHAIRMAN. You can furnish that for the record.

Mr. McCAULEY. I will be glad to insert that data in the record. (The data are as follows:)

Injuries reported and claims received, first 10 months, fiscal years 1943 and 1942

	1943			1942	
	New cases reported	New claims received		New cases reported	New claims received
July 1942.....	12, 167	1, 038	July 1941.....	6, 147	852
August 1942.....	12, 854	1, 029	August 1941.....	7, 095	894
September 1942.....	11, 983	1, 238	September 1941.....	7, 149	971
October 1942.....	12, 401	1, 334	October 1941.....	8, 082	1, 103
November 1942.....	10, 699	1, 299	November 1941.....	6, 574	971
December 1942.....	11, 228	1, 474	December 1941.....	6, 659	900
January 1943.....	12, 139	1, 677	January 1942.....	7, 673	1, 073
February 1943.....	12, 174	1, 670	February 1942.....	5, 729	904
March 1943.....	15, 522	2, 180	March 1942.....	7, 890	645
April 1943.....	14, 331	2, 116	April 1942.....	8, 200	1, 193
Total.....	125, 508	15, 055	71, 199	9, 506
Average.....	12, 551	1, 505	7, 120	951

The CHAIRMAN. Would you say that the number of claims received monthly has been at an increasing rate?

Mr. McCAULEY. Yes, sir; it is at quite an increasing rate. The Commission during the first 9 months of the fiscal year 1943 received 111,464 reports of new cases.

The CHAIRMAN. That covers what period?

Mr. McCAULEY. The first 9 months of the fiscal year 1943. That is approximately three times the number of injuries received during the fiscal year 1939, which was probably the last nearly normal fiscal year insofar as Federal operations are concerned.

The CHAIRMAN. To what do you attribute the increase?

Mr. McCAULEY. It is principally because of the increase in war operations and that is indicated in this way:

During the fiscal year 1939 the total number of injuries reported by the War Department and the Navy Department combined was 9,725. During the first 9 months of the fiscal year 1943 those departments reported a total of 80,000 injuries.

The CHAIRMAN. While you are getting more claims, are they for larger or smaller amounts than previously? In other words, what is the relative size of these claims?

Mr. McCAULEY. No, sir; the average cost has not changed substantially. The increase in cost is principally due to the increase in volume.

The CHAIRMAN. Well now, under the law these payments are payable when adjudicated by the Commission; are they not?

Mr. McCAULEY. Yes, sir.

The CHAIRMAN. And when the Commission hands down its opinion there is nothing you can do but pay them?

Mr. McCAULEY. That is all we can do, or else——

Mr. WIGGLESWORTH. What is the fundamental reason for this increase?

Mr. McCAULEY. This increase in the number of claims is due to the increase in governmental operations.

Mr. WIGGLESWORTH. I notice your monthly disbursements for April and May of this year were \$712,683 and \$721,497, respectively, and you have an estimate for the month of June of \$940,000. Why is that increase?

Mr. McCAULEY. I should explain, sir, that the estimate for June includes \$200,000 for an advance of funds to the War Department to cover medical services. The estimate for other expenditures in June is \$740,000.

The CHAIRMAN. Is there anything further?

Mr. McCAULEY. That is all; thank you.

SATURDAY, JUNE 5, 1943.

FEDERAL WORKS AGENCY

(See p. 54)

OFFICE OF ADMINISTRATOR

STATEMENT OF MAJ. GEN. PHILIP B. FLEMING, FEDERAL WORKS ADMINISTRATOR; GEORGE H. FIELD, DEPUTY COMMISSIONER OF WORK PROJECTS ADMINISTRATION

DIVISION FOR LIQUIDATION OF THE WORK PROJECTS ADMINISTRATION

SALARIES AND EXPENSES

The CHAIRMAN. General Fleming, we have a Budget estimate here transmitted in House Document 219, authorizing the use, during the fiscal year 1944, of not to exceed \$1,165,000 of the unobligated balance of W. P. A. funds for the liquidation expenses of W. P. A.

The Budget estimate consists of \$583,632 for payment of accrued leave to employees upon termination of service, and \$581,368 for salaries and other expenses.

OFFICE OF THE ADMINISTRATOR

Not to exceed \$1,165,000, out of balances of appropriations under section 1 (a) of the Emergency Relief Appropriation Act, fiscal year 1943, which remain unobligated on June 30, 1943, is hereby made available to the Administrator, Federal Works Agency, during the fiscal year 1944 for all necessary expenses for the liquidation of the Work Projects Administration, including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of motor-propelled passenger-carrying vehicles; and payment for accumulated and current accrued/leave of employees separated from the Government service due to the discontinuance of the Work Projects Administration: *Provided*, That employees of the Work Projects Administration in leave status and in active-duty status on June 30, 1943, may, in the discretion of the Administrator, be transferred to and paid from this appropriation without the necessity of further appointment.

In carrying out the liquidation of the activities under the Emergency Relief Appropriation Acts, fiscal years 1942 and 1943, accounts shall be maintained without regard to the limitations established by said acts and without regard to project allocations: *Provided*, That the appropriations established and extended for the completion of Federal construction projects under the provisions of the Emergency Relief Appropriation Act, fiscal year 1943, shall be liquidated and accounted for as one fund: *Provided, further*, That all credits subsequent to June 30, 1943, representing repayments or recoveries on account of funds disbursed out of amounts allocated or made available pursuant to any of the provisions of law referred to in this paragraph, shall be covered into the Treasury as miscellaneous receipts, together with such balances as the Administrator may from time to time determine to be no longer required to meet obligations.

The provisions of section 501 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941, shall be applicable to

appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, and there shall be transferred to the "Emergency relief liquidation fund" from appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, sufficient amounts to meet unliquidated obligations incurred thereunder; *Provided*, That claims certified for payment by the Comptroller General of the United States, chargeable to the "Emergency relief liquidation fund," shall be paid without regard to project allocations.

The Federal Works Administrator, or his designee for such purpose, is authorized to consider, ascertain, adjust, determine, and pay from the foregoing appropriation any claim on account of damage to or loss of privately owned property caused by the negligence of any employee of the Works Progress Administration or the Work Projects Administration while acting within the scope of his employment. No claim shall be considered hereunder which is in excess of \$500, or which is not presented in writing within one year from the date of accrual thereof. Acceptance by a claimant of the amount allowed on account of his claim shall be deemed to be in full settlement thereof, and the action upon such claim so accepted by the claimant shall be conclusive.

We would be glad, General Fleming, if you would give us a statement as to what the status of W. P. A. is up to this time and what it will be in 1944, and what you propose to do with this money.

GENERAL STATEMENT

General FLEMING. Mr. Chairman, on the 4th of December 1942 the President sent me a letter asking to have W. P. A. liquidated as quickly as could be feasibly done.

The CHAIRMAN. We will include that letter in the record at this point.

(The letter above referred to is as follows:)

THE WHITE HOUSE,
Washington, December 4, 1942.

Maj. Gen. PHILIP B. FLEMING,
Federal Works Administrator,
Acting Commissioner of Work Projects,
Washington, D. C.

MY DEAR GENERAL FLEMING: In my annual message to the Congress 7 years ago I outlined the principles of a Federal work-relief program. The Work Projects Administration was established in May 1935, and it has followed these basic principles through the years. This Government accepted the responsibility of providing useful employment for those who were able and willing to work but who could find no opportunities in private industry.

Seven years ago I was convinced that providing useful work is superior to any and every kind of dole. Experience has amply justified this policy.

By building airports, schools, highways, and parks; by making huge quantities of clothing for the unfortunate; by serving millions of lunches to school children; by almost immeasurable kinds and quantities of service the Work Projects Administration has reached a creative hand into every county in this Nation. It has added to the national wealth, has repaired the wastage of depression, and has strengthened the country to bear the burden of war. By employing eight millions of Americans, with thirty millions of dependents, it has brought to these people renewed hope and courage. It has maintained and increased their working skills; and it has enabled them once more to take their rightful places in public or in private employment.

Every employable American should be employed at prevailing wages in war industries, on farms, or in other private or public employment. The Work Projects Administration rolls have greatly decreased, through the tremendous increase in private employment, assisted by the training and reemployment efforts of its own organization, to a point where a national work-relief program is no longer necessary. Certain groups of workers still remain on the rolls who may have to be given assistance by the States and localities; others will be able to find work on farms or in industry at prevailing rates of pay as private employment continues to increase. Some of the present certified war projects may have to be taken over by other units of the Federal Works Agency or by other departments

of the Federal Government. State or local projects should be closed out by completing useful units of such projects or by arranging for the sponsors to carry on the work.

With these considerations in mind, I agree that you should direct the prompt liquidation of the affairs of the Work Projects Administration, thereby conserving a large amount of the funds appropriated to this organization. This will necessitate closing out all project operations in many States by February 1, 1943, and in other States as soon thereafter as feasible. By taking this action there will be no need to provide project funds for the Work Projects Administration in the Budget for the next fiscal year.

I am proud of the Work Projects Administration organization. It has displayed courage and determination in the face of uninformed criticism. The knowledge and experience of this organization will be of great assistance in the consideration of a well-rounded public-works program for the post-war period.

With the satisfaction of a good job well done and with a high sense of integrity, the Work Projects Administration has asked for and earned an honorable discharge.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

General FLEMING. In his letter he says:

* * * This will necessitate closing out all project operations in many States by February 1, 1943, and in other States as soon thereafter as feasible. By taking this action there will be no need to provide project funds for the Work Projects Administration in the Budget for the next fiscal year.

Now, this does not ask for any project funds; it is only administrative money that we are asking for, to close up.

In accordance with his instructions, by February 1 we had W. P. A. closed out in 21 States. In the other States, all project operations were practically ended by April 30 of this year. Now they are closed and there is nothing but an administrative force and some property people being held on, except in Puerto Rico and the Virgin Islands, and the President told me, verbally, he did not expect this to apply to Puerto Rico and the Virgin Islands; that some other provision would have to be made for them next year.

As the Budget says in its report, there is still the task of auditing accounts, settlement of claims, investigation of irregularities, and many other activities incident to closing the affairs of this agency. That is what this money is being particularly asked for.

In addition to being the Federal Works Administrator, I am the Acting Commissioner of W. P. A. Mr. Field is the Deputy Commissioner and handles the details, which he can go into much more than I possibly can, and I would like to have him give you a statement of just what the needs are.

The CHAIRMAN. We would be glad to hear from you at this time.

Mr. TABER. Tell us what you have left to do.

Mr. FIELD. What we have left to do is to liquidate our obligations outstanding as of July 1, mainly nonlabor items, amounting to about 20,000 items, small items, that total about \$5,000,000. The Procurement Division of the Treasury—

Mr. TABER. It will cost you \$1,000,000 to do that?

Mr. FIELD. No. That is one of the items we have to do.

ACCRUED LEAVE OF EMPLOYEES

You will notice in this amount of \$1,165,000, \$583,632 is for the payment of accumulated and accrued leave of our administrative employees that have been terminated or will be terminated before July 1, or those that will be terminated after July 1. So the amount of

money for active work after July 1st is the difference, amounting to \$581,368.

Now, in this presentation here, which is the same information we got together for the Bureau of the Budget, we have the detail and I would like, before indicating what we have to do, to explain some of the language we would like in this legislation.

The CHAIRMAN. We will come to that later. You have concluded your general statement now, have you?

Mr. FIELD. That is right.

The CHAIRMAN. How many employees are involved in this accrued leave?

Mr. FIELD. I do not think we have the number it will involve.

The CHAIRMAN. Suppose you supply that for the record.

Mr. FIELD. Yes, sir.

NOTE.—As of April 30, 1943, our records indicated that there would be 1,774 persons having accumulated and accrued leave due them after June 30, 1943.

The CHAIRMAN. What is the minimum and maximum amount due?

Mr. FIELD. The maximum amount we estimate at the present time is about \$650,000.

The CHAIRMAN. How much is the maximum amount due any individual?

Mr. FIELD. There will be some individuals who will have up to 90 days' leave coming to them; because, under a new bill, that was passed by Congress some time ago, accrued leave was increased up to 90 days. That is the maximum that is due. For most of the people on our staff, it will be much less than that, because we have tried to maintain an average of about 25 to 30 days of accrued leave. But, as we close up, our key people in the States have the most leave, and they are the ones to be dropped last.

The CHAIRMAN. And you cannot make settlement until their final separation?

Mr. FIELD. We cannot pay the final leave out of any one lump sum, out of our present appropriation; it must be handled on the pay roll month by month. On people who go to other Federal agencies, their leave will be transferred with them. That was the reason the Bureau of the Budget felt we should reduce it from \$650,000 to \$583,000.

The CHAIRMAN. To how many does that apply?

Mr. FIELD. That is about 10 percent. We estimate that 10 percent of the leave would be absorbed by other agencies, if these people received jobs with other agencies.

ESTIMATED NUMBER OF EMPLOYEES FOR 1944

The CHAIRMAN. Now give us a break-down of this \$581,000 for salaries and other expenses, showing how much personnel is involved, how much is for salaries, and how much for other expenses, in the various categories.

In the first place, how much personnel is involved?

Mr. FIELD. The amount for personnel services is in the central office, amounting to \$254,250.

The CHAIRMAN. For how many individuals?

Mr. FIELD. The individuals range, in July, from 319 people down, on a sliding scale, to 57 by next June.

The CHAIRMAN. Suppose you put in the record at this point the table giving the break-down of the estimated number of employees month by month for the fiscal year 1944.

Mr. FIELD. Yes, sir.

(The estimated number of employees is as follows:)

Month	Departmental	Field finance offices	Total
July.....	149	170	319
August.....	142	142	284
September.....	130	100	230
October.....	138		138
November.....	134		134
December.....	117		117
January.....	84		84
February.....	77		77
March.....	70		70
April.....	63		36
May.....	60		60
June.....	57		57

DETAILED JUSTIFICATION FOR PERSONAL SERVICE OBLIGATIONS

OFFICE OF DIRECTOR

The Director will be responsible to the Federal Works Administrator for the administration of the Division for Liquidation of the Work Projects Administration. It will be necessary to have attached to the Office of Director a small unit to handle personnel transactions in the central office and the field finance offices.

DIVISION OF REPORTS AND STATISTICS

The functions of this Division during the fiscal year 1944 will be as follows: (1) Reporting and processing of statistics including financial, employment and physical accomplishment reports for the period ending June 30, 1943; (2) abstracting data from the files in order to answer requests received from governmental agencies and the public for information on Work Projects Administration operations. Considerable work is involved in abstracting the required data from reports in the files. It is expected that this work will diminish in volume after the first quarter of fiscal year 1944, and (3) preparation of a final report for Congress covering in detail the 8-year period of operations of the Work Projects Administration. Section 26 of the Emergency Relief Administration Act, fiscal year 1943, provides for a final report outlining Work Projects Administration operations, to be submitted to Congress by the President on or before the 31st of January 1944. Full data on employment, projects, expenditures, etc., under the Work Projects Administration program must be secured which involves processing and analyzing many reports. A considerable number of the tables to be used in the final report will be completed in the usual course of preparing current tabulations. However, considerable additional statistical work will be required in the preparation of the final report. The basic statistical work in connection with this report should be completed by December 31, 1943, after which the work of this Division will be merged with the Division of Finance.

LEGAL DIVISION

It will be necessary that legal personnel familiar with the Work Projects Administration organization and procedures be assigned to perform the following functions: (1) Review and handle approximately 200 complaints and allegations of irregularities; (2) authorize approximately 50 investigations; (3) review reports of approximately 100 investigations to determine appropriate administrative action; whether claims in favor of the United States exist, the amounts due to persons liable therefor, and whether violations of criminal law have occurred; (4) exhaust administrative efforts to collect claims in favor of the United States in 166 cases; (5) maintain liaison with the Department of Justice and the General Accounting Office on civil and criminal cases; it is estimated that approximately 300 civil

cases in the Department of Justice plus 850 cases in the General Accounting Office will be pending by the end of fiscal year 1944; of this number 34 suits have been instituted in the courts. It is also estimated that there will be approximately 100 criminal cases pending in the Department of Justice. The Department of Justice and the General Accounting Office will require recommendations as to the disposition of, or other action to be taken on, cases in these agencies; to furnish information, documents, and legal assistance, including detailing attorneys to assist in the preparation for trial and trial of such cases; and to authorize supplemental investigations; (6) examine and determine between 600 and 700 property-damage claims. Examine and determine approximately 250 personal injury, or death, and other claims; (7) by the end of the fiscal year 1944 there will have been introduced 105 private relief bills involving the Work Projects Administration. The Congress will require reports and recommendations on most of these bills; (8) there will be pending approximately 33 suits against the Work Projects Administration or its officers and employees for acts arising out of official duties, the defense of which suits will be required. It is not possible to estimate the extent of work which will be required in furnishing legal advice to officials engaged in the liquidation of the Work Projects Administration.

DIVISION OF FINANCE

The Division of Finance in the central office and those field finance offices which will be continued in operation after June 30, 1943, will be responsible for the examination for propriety of payment of all claims submitted during the course of liquidation, the examination and clearance of General Accounting exceptions, the administrative examination of restitution cases prior to referral to the General Accounting Office, the maintenance of adequate accounts, and the preparation of required financial reports. In order to insure an orderly liquidation, it is planned to continue four field finance offices in operation subsequent to June 30, 1943. These offices will be located in Atlanta, Chicago, Fort Worth, and New York City. Of these, the Fort Worth office will be discontinued not later than August 31, 1943, and the remaining three offices by September 30, 1943, at which time all finance functions then being carried on in the field will be transferred to the central office.

As of May 1, 1943, there were approximately 22,000 unliquidated items representing encumbrances which had been established to reserve appropriated funds for the purchase of non-labor items. This does not include the unliquidated encumbrances which had been established against sponsors' funds nor does it include items applicable to operations in Puerto Rico and the Virgin Islands. As stated, the Division of Finance will be responsible for the examination for propriety of payment of all claims which will be submitted after June 30, 1943, against each such unliquidated item. In many instances several claims are submitted against one item of encumbrance. This is occasioned by partial delivery of requisitioned items and will increase the work load in direct proportion to each such transaction.

In addition to the examination of claims and maintenance of accounts for each of the foregoing items which will remain unliquidated as of June 30, the Division of Finance will be responsible for the detailed examination of all paid vouchers and related schedules submitted with the disbursing officers accounts current each month prior to submission to the General Accounting Office, for postaudit and the closing of property accounts. One of the major items affecting the work load incident to the liquidation of the program will be the clearance of miscellaneous types of transactions which are not susceptible to determination as to volume. Such items may generally be classified as follows: Check claims, deceased claims, doubtful claims, accounting differences, and exceptions taken by the General Accounting Office. Since the General Accounting Office is currently auditing late 1941 and early 1942 accounts, it would be impossible to make an accurate determination as to the number of exceptions which will be taken during the fiscal year 1944. However, based on current activity, it would appear that approximately 14,000 miscellaneous types of transactions will be received during the fiscal year 1944.

DIVISION OF SUPPLY

It will be necessary to maintain a small staff in the Division of Supply for the months of July and August to handle the disposition of the remaining equipment and materials on hand as of June 30, 1943. This work will be reduced to such a small volume by September 1st that the work remaining can then be handled by the Finance Division.

MICROFILMING DIVISION

The microfilming of records has been carried out during the current fiscal year with project funds. After June 30, 1943, the remaining work of this Division will be handled with administrative funds.

All essential records of the Civil Works Administration, the Federal Emergency Relief Administration, in those States that were federalized, and the entire Work Projects Administration will be preserved on microfilm and reference requests thereto will be serviced by this Division. It is estimated that the following requests for information will be received during the next fiscal year: (1) Approximately 5,000 requests from the Civil Service Commission pertaining to Form 2806, Retirement Information, and Form 3084, Abstract of Service; (2) requests from the Civil Service Commission covering employment data pertaining to 5,000 National Youth Administration employees formerly employed by the Work Projects Administration will be required to provide retirement information; (3) it is expected that approximately 3,000 requests for information pertaining to projects operated by the Work Projects Administration involving considerable research work, correlation of material and the making of paper reproductions of microfilmed images will be received; (4) approximately 6,000 requests for information from the Legal Division must be handled in connection with claims and investigations; (5) approximately 20,000 requests for information on financial transactions will be made by the Finance Division; (6) based on present inquiries we estimate that 200,000 personnel inquiries, Nation-wide, from governmental agencies, war industries, and other employers who wish to employ former Work Projects Administration workers must be answered; (7) the General Accounting Office will make approximately 2,000 requests for information to assist them in auditing payments by the Work Projects Administration; (8) the United States Compensation Commission will make 1,000 requests for information in connection with injury claims, and (9) approximately 15,000 requests from the Department of Justice, Army Intelligence, Navy Intelligence, and other governmental divisions of investigation in connection with activities of former Work Projects Administration employees.

In order to service each reference request considerable clerical work must be performed in this division in securing information and transcribing it for reply to the requesting agency or person.

Before the Reference Unit can function properly all film files must be received in the central office from each of the States and the records arranged in a manner which will expedite reference. The following items of work will be necessary in order to prepare the microfilm records for ready reference purposes: (1) Each State's film must be placed in film file cabinets arranged alphabetically by State and numerically within each State, and (2) each film file must be checked in order to determine that the film-reel numbering systems and film indexes are in order and adequate to provide ready reference to film reels.

This Division will also be responsible for consolidating State records that have been filmed in the field finance offices and the central office with the original State film file. It will also be necessary to prepare suitable working indexes which will require consolidation with the respective State indexes.

Those records created after cessation of State microfilming activities, plus those compiled during the process of liquidation during the fiscal year 1944, must be filmed by this Division. It will be necessary to arrange, microfilm, inspect, and consolidate approximately 2,900,000 documents in the central office to complete the entire microfilming of Work Projects Administration records.

ACCUMULATED AND ACCRUED LEAVE

The amount of funds requested for liquidation of accumulated and current accrued leave for both administrative and supply fund appointive personnel represents our present knowledge of the amount that will be due all such employees as of June 30, 1943. Detailed statistics have been maintained in the central office for the past several months showing the exact leave status of all such employees, both departmental and field. These records are kept current by daily postings. The figures shown in the request are those resulting from all postings through April 30, and include leave due both employees to be terminated and those to be retained after June 30. These figures will be reduced from time to time for those employees transferred to other Federal agencies. Reports will be submitted to the Bureau of the Budget each month showing the current status of obligations for accumulated leave.

The CHAIRMAN. The number is constantly decreasing, then?

Mr. FIELD. The number is constantly decreasing.

The CHAIRMAN. When do you expect to reach the zero point?

Mr. FIELD. If we could retain enough personnel, I think we could reach the zero point before next June. But the thing we have been up against is to keep enough people to liquidate our accounts and close up all of our records. We have exceptions that the G. A. O. are still taking on old appropriations. They are now auditing 1941 and 1942 appropriations, and I think we will need somebody in the Federal Works Agency for the most of next year to clean up in good shape.

The CHAIRMAN. How much of this is for salaries, then?

Mr. FIELD. Of this amount of \$581,368, all but \$185,000 is for salaries.

The CHAIRMAN. Then there is \$185,000 for other expenses. What other expenses and in what proportion—in what amounts?

Mr. FIELD. Of the \$185,000, \$47,000 is travel expenses; \$8,000 is for transportation of things; \$10,000 is for communication services; \$20,000 for rents and utilities; \$6,000 for printing and binding; \$70,000 for other contractual services; \$9,000 for supplies and materials; \$15,000 for refunds, awards, and indemnities.

We have a detailed statement on each of those items, broken down in detail, showing how they were figured and how our estimates were made.

The CHAIRMAN. You say this work will continue in the fiscal year 1944?

Mr. FIELD. That is our estimate at the present time.

The CHAIRMAN. You do not think it will be terminated sooner?

Mr. FIELD. I do not think it could possibly be completely terminated sooner.

LANGUAGE CHANGES

The CHAIRMAN. Now, taking up the language, I wish you would take up this language paragraph by paragraph and explain it.

Mr. FIELD. The purpose of the first paragraph of the proposed legislation is to provide an appropriation for all administrative expenses to enable the Federal Works Administrator to continue the liquidation of the Work Projects Administration to completion, which under present law, will be terminated on June 30, 1943. Provision is made for the payment of accumulated and current leave of employees separated from the Government service due to the discontinuance of the Work Projects Administration. Provision is also made for the employees of the Work Projects Administration in leave status and in active duty status on June 30, 1943, to be transferred to and be paid under this appropriation without the necessity of further appointment. This will save a great deal of administrative and clerical work that otherwise would be necessary in reclassifying and reappointing all employees of the Work Projects Administration who will be on final leave or active duty status on June 30, 1943.

The CHAIRMAN. That applies to the first paragraph.

Mr. FIELD. That is right.

The CHAIRMAN. Now, the second paragraph?

Mr. FIELD. The second paragraph provides for carrying out the liquidation of the activities under the Emergency Relief Appropriations Acts for the fiscal years 1942 and 1943 and that in the process of

such liquidation accounts shall be maintained without regard to the limitations established by said acts and without regard to project allocations.

This will result in substantial savings since, under this procedure, it will not be necessary to keep open innumerable project accounts for the purpose of reflecting minor adjustments which will accrue during the course of liquidation. It also provides that the appropriations heretofore established for Federal construction projects shall be liquidated and accounted for as one fund. This again will result in substantial savings, since we are currently operating under seven Federal construction appropriation accounts.

Provision has also been made for depositing directly to the general fund of the Treasury all credits which may accrue subsequent to June 30, 1943, on account of funds disbursed out of amounts allocated or made available pursuant to any provisions of law referred to in this paragraph. It is also proposed that the Federal Works Administrator may from time to time deposit in the general fund of the Treasury such balances as he may determine to be no longer required to meet obligations. This will expedite the recovery by the Treasury Department of all unrequired balances, the deposit of which under present procedure would be delayed until such time as the applicable appropriations had expired for expenditure purposes.

I might add that this is a very important part.

The CHAIRMAN. That is the second proviso of the second paragraph?

Mr. FIELD. That is right. And what it really amounts to is this: We bought, say, 100 barrels of cement; Procurement issued a purchase order for 100 barrels of cement and an encumbrance is set up against the project account. We cannot liquidate that until the vendor submits an invoice to Procurement; then it comes back and is liquidated against our project account. It may be he has only delivered 96 barrels of cement and there is a small amount of money that would come back as a credit. Rather than keep open about 3,500 project accounts now on our books, this would enable us to close those project accounts after July 1 and to liquidate all of these small items against one account.

We have cleared that with the Treasury and with the General Accounting Office.

The CHAIRMAN. That is satisfactory to the Treasury Department?

Mr. FIELD. That is satisfactory to the Treasury Department. It is to simplify our bookkeeping.

The CHAIRMAN. What about the third paragraph?

Mr. FIELD. The third paragraph is similar to section 31 of the current Emergency Relief Appropriation Act and is to permit the transfer of funds from the 1941 Emergency Relief Appropriation Act which lapses for expenditure purposes on June 30, 1943, to enable the Comptroller General to pay obligations certified by him to be rightfully due under the 1941 act. That is a requirement we have had in all of our other acts, at least in the last few that I am familiar with, and it is necessary because some of the items under the 1941 act may not actually be liquidated by the end of this year.

The CHAIRMAN. Now, that proviso there will save a very large amount of bookkeeping?

Mr. FIELD. That is right. We had wanted to do this during this year, so that we could have it out of the way by the end of June 1943, but the Bureau of the Budget felt we ought to carry on like we are until the end of this fiscal year and then get this provision for after July 1. So that we are now keeping all of our accounts open and, right after July 1, if this is provided, we will just lump them all together.

General FLEMING. And save a lot of personnel.

The CHAIRMAN. What about the last paragraph?

Mr. FIELD. The last paragraph, with respect to property damage claims, caused by negligence of employees of the Work Projects Administration, is necessary in order that such claims which shall not have been determined by the Commissioner of Work Projects by June 30, 1943, may be determined thereafter by the Federal Works Administrator, or his designee for such purposes, and like authority to such officer to determine claims which may be presented for the first time after June 30, 1943.

What is happening now is that the Commissioner of Work Projects is authorized, under present legislation, to settle claims up to \$500 and that has saved an awful lot of work in the General Accounting Office and Congress, just to carry that out.

UNEXPENDED BALANCE OF APPROPRIATIONS MADE TO WORK PROJECTS ADMINISTRATION

Mr. LUDLOW. How much of the W. P. A. appropriation will be left over after final liquidation?

General FLEMING. When I first got the President's letter, we thought we would have a balance left of \$80,000,000. We find now it will be nearer \$105,000,000, plus property amounting to about \$25,000,000.

DISPOSAL OF SURPLUS WORK PROJECTS ADMINISTRATION PROPERTY

Mr. LUDLOW. What are you doing with wheelbarrows, picks, shovels, and all property of that kind?

General FLEMING. First of all, we took over some of the property we thought could be utilized by the Public Roads Administration in building the highway in Alaska, and also the highway down to Panama, and they took what they wanted and reimbursed us for it. The rest we are turning over to the Procurement Division of the Treasury and they are seeing what Government agencies want it. If they find no Government agency wants it on a transfer basis, then they will put it up for sale to the highest bidder.

Mr. LUDLOW. Do you know to what extent that disposal of property has proceeded; is a good deal of it disposed of now?

Mr. FIELD. We have in this statement back here on the operation of the W. P. A. for this fiscal year, a statement that we had delivered or declared to the Procurement Division on April 1 about \$15,000,000 worth of property and from April 1 up to the middle of May we declared another \$4,275,000. By the end of June we will have declared the balance, making a total of about \$25,000,000.

The Procurement Division did not have the funds to take over our warehouses this fiscal year, so that we have been paying the cost

of maintaining some warehouses until they were able to take them over. On June 1 we got them to take over the authority and responsibility for them. They have had difficulty in disposing of some of this property because of the limitations of some of their laws, but they have recently come to an understanding with O. P. A. and the other people involved in disposing of this property and they are now negotiating for the sale of this property. We think a lot of it will be liquidated before July 1st.

WAREHOUSING OF SURPLUS WORK PROJECTS ADMINISTRATION PROPERTY

Mr. LUDLOW. Do you know to what extent it is properly warehoused?

Mr. FIELD. We have it all properly warehoused now. We had it scattered on about 5,000 different projects on the 1st of December, and we have moved it in until now, by the middle of June, we will have only 31 warehouses in the United States.

Mr. LUDLOW. I will tell you one specific instance I have, that in the city of Indianapolis there were 750 wheelbarrows standing out in an open lot and rusting for a long, long time.

Mr. FIELD. We realize that. And the reason for that is that we had declared those to the Procurement Division 6 months ago for them to dispose of and they did not feel they had authority to negotiate for their sale. Since that time they have finally worked out arrangements, and it is their responsibility.

Mr. LUDLOW. You know about that particular case?

Mr. FIELD. Yes, I do; and they are now disposing of them.

Mr. LUDLOW. I just wondered if there were many instances of that kind where property was really deteriorating when it should be warehoused properly?

Mr. FIELD. We have never felt it was economical to put all wheelbarrows under cover, because of the cost of storage space. But now, with the authority that Procurement has, I think they can dispose of practically all of the wheelbarrows in another month from now.

Mr. RABAUT. You say there has been a concentration of this warehousing down to 31 units, from what you had formerly all over the United States. Has that effected a saving in the cost of warehousing?

Mr. FIELD. It has effected a saving; not only that, it has effected a saving of personnel needed to handle the property. We did not boil it down until some of it could be disposed of, by sending some to the Alaskan Highway and some to other Federal agencies, such as to the Army and Navy, who took, a great deal.

Mr. RABAUT. There is less material warehoused today than there was before, then, by a great percentage?

Mr. FIELD. Oh, yes.

Mr. RABAUT. How much will this warehousing cost in those 31 units?

Mr. FIELD. After July 1st?

Mr. RABAUT. Yes.

Mr. FIELD. I am not sure. The Procurement Division is making their estimates for that. It seems to me, right offhand, that they would need about 800 people after July 1st in the remaining warehouses. I do not know whether that is an accurate figure or not,

because it is their responsibility, and they are taking over that responsibility after June 30, 1943.

Mr. RABAUT. Are you paying for the warehousing cost at the present time of those 31 units?

Mr. FIELD. We are at the present time, and up until the end of June we will pay for it.

COST OF OPERATION OF WAREHOUSES

Mr. RABAUT. What I would like to have you do is to supply for the record what that cost is.

Mr. FIELD. Yes, sir.

(The information is as follows:)

Under the rules and regulations promulgated by the Director, Bureau of the Budget, pursuant to Executive Order 9235, the Work Projects Administration is required to declare all property to the Procurement Division, U. S. Treasury Department, as surplus to the needs for which it was originally procured. The Procurement Division is charged with the responsibility of disposing of the property in the best interests of the Government.

Executive Order 9235 also provided that the Procurement Division "shall take over such Government warehouses, appurtenant facilities and personnel used or employed by other Government agencies in the performance of these functions, together with such funds * * * provided therefor, as the Director of the Budget may approve."

In accordance with the foregoing, and in a manner approved by the Secretary of the Treasury and the Director of the Budget arrangements were made for the Procurement Division to take over the supervision of the Work Projects Administration warehouses, property therein, and the Work Projects Administration personnel necessary to liquidate the inventories. This was done in all States, progressively as the Work Projects Administration activities in individual States were terminated. Moneys of the Work Projects Administration supply fund account were made available to the Procurement Division to finance the warehouses and inventory liquidating activities, until June 30, 1943.

Immediately prior to June 1, 1943, the Procurement Division estimated that it would require to continue in operation subsequent to June 30, 1943, approximately 52 former Work Projects Administration warehouses, located in 31 States. The actual number to be operated will be governed by the ability of the Procurement Division to dispose of the remaining inventories by transfer to other Federal agencies, or by public sale.

On June 1, 1943, the Procurement Division assumed the supervision of all Work Projects Administration warehouses, inventories, and needed personnel.

The Procurement Division estimated that it would require approximately 804 former Work Projects Administration employees immediately subsequent to June 30, 1943, to complete the liquidation of the Work Projects Administration inventory. Accordingly, arrangements were completed whereby 804 former Work Projects Administration warehouse employees will be transferred to the Procurement Division pay roll as of June 30, 1943.

The estimated cost of operating these warehouses for the month of June is, for labor \$117,567, and nonlabor \$27,694, making a total of \$145,261.

AMOUNT OF UNEXPENDED BALANCE OF WORK PROJECTS ADMINISTRATION APPROPRIATION

Mr. RABAUT. I think they are to be commended, Mr. Chairman, for this increase to \$105,000,000, from what they estimated, \$80,000,000, to start with.

General FLEMING. It is actually \$106,594,000.

Mr. LUDLOW. Is that a definite figure, a final figure?

Mr. FIELD. That is an estimate for May and June and the actual expenditures through April.

Mr. RABAUT. You say it will be \$106,594,000?

General FLEMING. Yes.

Mr. RABAUT. That will be money not expended?

General FLEMING. Yes, sir.

VALUE OF WORK PROJECTS ADMINISTRATION PROPERTY TO BE
DISPOSED OF

Mr. RABAUT. And over and above that, about \$25,000,000 more in tools, equipment and property—all Federal Government property?

General FLEMING. It is all Federal Government property.

Mr. RABAUT. What was the cost of that property?

Mr. FIELD. I can get that figure.

Mr. DITTER. Tell us what the original cost of that property was, and what percentage the reclamation value of \$25,000,000 will be of the original cost.

Mr. FIELD. Yes, sir. That is our estimate. Procurement thinks it is worth \$40,000,000, but we think their estimate is high.

Mr. RABAUT. Well, you have been inclined to be too low, in the past, according to this \$106,000,000, and Procurement might be somewhat right. I hope it will run up to about \$40,000,000, instead of \$25,000,000.

VALUE OF WORK PROJECTS ADMINISTRATION INVENTORIES TO BE
DISPOSED OF BY THE PROCUREMENT DIVISION

Mr. FIELD. The rules and regulations promulgated by the Director of the Budget under Executive Order 9235 require that the Work Projects Administration inventory declared surplus to the Procurement Division for purposes of disposition be evaluated at its current (depreciated) book value. It is also required that the Procurement Division dispose of the property at its current market value. Since under wartime conditions, the current market value of equipment and tools is relatively high, it is incumbent upon the Procurement Division to appreciate the value of appropriate items.

The Work Projects Administration surplus inventory is largely construction type of equipment and hand tools. The average age of the former Work Projects Administration equipment and tools is approximately 2½ years. The Work Projects Administration equipment and tool inventory in the continental United States has not been augmented by purchase of new items for approximately 2 years. Only a negligible amount of replacement items have been acquired by the Work Projects Administration during that period.

Work Projects Administration equipment and tools were depreciated in value quarterly, in accordance with a standard and accepted formula which caused the book value to be truly representative, in the light of the age of the property when compared with its normal service life and conditions of usage.

The method of depreciation of value of the equipment is that recommended by the Associated General Contractors, and is consistent with depreciation tables utilized by the U. S. Internal Revenue Department for tax-amortization purposes.

The Work Projects Administration estimates that the total current book value of the Work Projects Administration inventory (which

includes materials, supplies, equipment and tools) that will be disposed of by the Procurement Division, to be approximately \$25,000,000.

Some of the former Work Projects Administration equipment and tools, is as old as 5 and 6 years. The original cost of the property can only be estimated. The average annual depreciation of equipment and tools, approximates 25 percent, which is the reciprocal of an average service life of 4 years. Assuming that the average age of the equipment is 2½ years, the current book value of the inventory on the average would represent approximately 38 percent of the original cost of the equipment. It may be reasonably estimated that the original cost of the Work Projects Administration inventory to be disposed of by the Procurement Division (currently valued at \$25,000,000) approximated \$66,000,000.

The Work Projects Administration cannot estimate what the current market value of the equipment and tools may be, since under the prevalent war conditions, market values of depreciated and used equipment is related only to the price a buyer would pay which in turn is related to the urgency of the need and the availability of equipment in the market, in individual cases.

REDUCTION IN PERSONNEL

Mr. TABER. When did you cease operation on these things completely?

Mr. FIELD. We ceased project operations in 21 States on February 1st.

Mr. TABER. But when did you cease completely?

Mr. FIELD. The actual elimination of the administration, State by State—by the 15th of June, we will have no administrative employees in any of our State offices.

Mr. TABER. How many have you hanging over now?

Mr. FIELD. Looking at table 10, at the present time, as of May 1, we had 1,035 administrative employees; 225 in the central office 10 field people, 300 in our field finance offices, and 500 in the States.

On June 1 we had 720 people, total; 200 in the central office, 5 in the field, 165 in our field finance offices, and 350 in the States.

By June 15 that 350 will be off the pay rolls.

Mr. TABER. You did not have anything but administrative employees for quite a little while.

Mr. FIELD. Since the first of May.

Mr. TABER. Now, ordinarily it is to be assumed that it would take about 90 days from the date of the last operation to liquidate. You are hanging on here with 57 employees to the end of June 1944. Now, it seems likely that this could be liquidated by the first of next January without the slightest difficulty.

Mr. FIELD. Well, someone would have to take care of the questions that come up from the Department of Justice, the General Accounting Office, the Treasury Department, the Procurement Division, where items are still outstanding. You will notice that by the end of December we would be down to 84 people. It might be brought down lower than that.

Mr. TABER. Wait a minute. It is 117 in the month of December.

Mr. FIELD. Yes; but by the end of December we will be down to 84, which would carry on in January.

Mr. TABER. You have got 57 when you get through. I do not understand why you need any such quantity of people as that.

Mr. FIELD. We might be able to reduce it.

Mr. TABER. You might have to have 10 to look after your general accounting, and the Attorney General's operations, but that ought to be the peak. After the first of January 10 ought to be the peak.

General FLEMING. I will assure you they will come down just as rapidly as possible, but it is not easy to liquidate an organization that has spent \$10,000,000,000.

Mr. TABER. I know, but on the other hand, most of the liquidation should be done this year. You have not taken on any new projects of any account since the first of last August.

General FLEMING. Not of any magnitude; no.

Mr. TABER. And you have had practically 11 months to clean it up this year. It seems to me that you ought to be able to get along on much less money than that.

Mr. FIELD. We had about 350,000 people working on the 1st of December 1942, and at that time we had about 4,500 projects operating. Since that time it has been a job of closing those projects out and dropping these people and getting our records in shape. We have gone faster than we even thought at the time. We might be able to bring this down faster. It is based on the experience we have had in the last 6 months. We would like to have it all wound up right now, if we could.

MICROFILMING OF VOUCHERS AND RECORDS

Mr. TABER. That microfilming thing, that is for the purpose of taking photographs of your vouchers and that sort of thing so you can have your stuff stowed away in smaller compass; is that right?

General FLEMING. To save warehousing space for records.

Mr. FIELD. That was done in the past by a project sponsored by The Archives. They came in a few years back and asked us if we would not do that rather than have all these records come to them. Now it is all shown under administrative, and that unit also answers a lot of the questions and inquiries we get from civil service, and from a lot of these war industries. Sometimes they will not hire a project worker unless they get some record of his past history, and we will carry on part of that as long as we have any staff. Eventually it will have to be stopped.

LIQUIDATION EXPENSES NOT ANTICIPATED IN CURRENT APPROPRIATION REQUEST

Mr. WIGGLESWORTH. What is the reason for this request at this time?

Mr. FIELD. Up until now——

Mr. WIGGLESWORTH. Did we not give F. W. A. an appropriation for the fiscal year '44 with respect to which the Agency appeared here last January, based on the anticipated load of all its activities including W. P. A.?

General FLEMING. No, sir. The liquidation of W. P. A. was not considered at that time.

Mr. WIGGLESWORTH. We discussed it at that time.

General FLEMING. W. P. A. is one of the constituent units of F. W. A.; but the appropriation was just made for the operation of the Administrator's office, and not for the liquidation of W. P. A. No employees were included in there.

Mr. WIGGLESWORTH. I thought that request was based on your activities in respect to public buildings, public roads, public works, and works progress—your four constituent set-ups there, and the anticipated load in respect to all of them.

Quoting from the record:

Mr. WIGGLESWORTH. When you say "liquidate," does that mean this committee has the assurance that after June 30 there will be no further expenditure for W. P. A.?

General FLEMING. We won't ask for any appropriation for W. P. A. As I say, it has to be an orderly liquidation.

Skipping down a little further:

Mr. WIGGLESWORTH. I would like to see this Agency given a decent burial as soon as possible, and to save whatever we can of funds already appropriated.

General FLEMING. I can assure you there will be no such thing as the Work Projects Administration appearing any place after the 1st of July. What we contemplate, if it is not entirely closed up as to property and records, is that the Federal Works Agency will do that for them. The W. P. A. will be off of the books by the end of this fiscal year so far as the name and organization are concerned.

General FLEMING. Yes; I recall that testimony.

Mr. WIGGLESWORTH. Was it not your over-all request that was based on the fact that there might be some hang-over in winding up this organization?

General FLEMING. I simply meant by that that there would be no appropriation requested for projects in W. P. A., but I certainly did not contemplate that F. W. A. could absorb all the administrative expenses of the final liquidation of W. P. A. after the 1st of July.

Mr. WIGGLESWORTH. But did you not include in your over-all estimate for F. W. A. when you came before us what you estimated would be necessary in that respect?

General FLEMING. No, sir; we did not.

Mr. WIGGLESWORTH. Why did you not?

General FLEMING. W. P. A. always had its own separate appropriation. It never came in the independent offices appropriation. It was an appropriation given by this committee always late in the season, usually in June, depending on what the requirements would be, and it never has been considered in the F. W. A. appropriation.

Mr. WIGGLESWORTH. Well, the administrative expenses have certainly been included as one of your four agencies.

General FLEMING. No, sir; not the administrative expenses.

Mr. WIGGLESWORTH. What is included in respect to W. P. A. in your fiscal '44 appropriation for F. W. A.?

General FLEMING. Nothing.

Mr. WIGGLESWORTH. Do you mean that the appropriation approved in the independent offices bill is not applicable in any way to your responsibility for W. P. A.?

General FLEMING. Well, it is my responsibility for the four agencies. The appropriation there is simply to my office for my responsibility as it accrues to me, or comes to me from Public Roads, Public Buildings, Public Works, and W. P. A., but not the administrative expenses of any of those organizations.

NUMBER OF PERSONNEL DURING FISCAL YEAR 1944

Mr. WIGGLESWORTH. Well, what do these green sheets mean here in this break-down? You have given us here 101 departmental personnel roughly, \$300,000, plus 34 field personnel at roughly \$95,000, plus accumulated and current leave of roughly \$45,000, plus other obligations \$185,000. Is that not the request you are making for the fiscal year 1944?

Mr. FIELD. That is right.

Mr. WIGGLESWORTH. How does that square with the figure I understood you to give Mr. Taber to the effect that you were carrying 57?

Mr. FIELD. That was at the end of the next fiscal year. We have a sliding scale of our employees. These are the man-years of employment, that 101.5. That is the method used in presenting this to the Budget, on the number of man-years.

Mr. WIGGLESWORTH. How many people will you have on your pay rolls, departmental personnel, as of the start of the next fiscal year?

Mr. FIELD. On July 1, 1943, we will have 149 people in the central office, 107 in four field finance offices. Those in the finance offices will be completely closed up by the end of September.

Mr. WIGGLESWORTH. You are going to pare that down?

Mr. FIELD. And keep on going down to our estimate of a minimum of 57 people.

Mr. WIGGLESWORTH. That is along in June, at the end of the next fiscal year?

Mr. FIELD. That is right. We might be able to pare it down more than that, or we might be able to put a little more of it in the first part of the fiscal year, but we have made this schedule and break-down based on our best information from the Treasury, the Procurement Division, and the General Accounting Office, and we still have some cases with the Department of Justice that we have to carry.

WORK PROJECTS ADMINISTRATION OPERATIONS IN PUERTO RICO AND
THE VIRGIN ISLANDS

Mr. DITTER. General, did the President give you anything in the way of amplification for excluding the Virgin Islands and Puerto Rico from the liquidation order?

General FLEMING. I talked to the President prior to his sending this letter to me and told him that the conditions in Puerto Rico and the Virgin Islands were entirely different than they were here in the United States. Here unemployment was decreasing all the time; in Puerto Rico and the Virgin Islands it was on the increase. The Army and the Navy activities, so far as buildings were concerned, have decreased. Shipping to the islands has practically stopped. Very little goes down there in the way of fertilizer, so they will have to cut down on their agricultural operations. Merchandise is not coming into the stores and they are closing down, and more and more people are getting out of work. The President said that he thought something special would have to be done in Puerto Rico and the Virgin Islands, and we have actually increased our W. P. A. employment in Puerto Rico and the Virgin Islands rather than decreasing it. At the time I received his letter, we were employing 35,000 people in Puerto Rico and the Virgin

Islands. W. P. A. employment has since been increased on the islands and now averages about 41,000 per month.

There is a bill, a joint resolution, which has passed the House and is now pending in the Senate, to authorize an appropriation of \$8,000,000 to carry on W. P. A. activities for 5 months with the idea that in that time the House committee which is now visiting Puerto Rico, and the Senate committee which previously went down, will work out some long-range plan for a possible economic solution of conditions in Puerto Rico.

Mr. DITTER. Can you put in the record, when you revise your remarks, the sum total that has been spent by the Army, the Navy, or any other governmental agency in Puerto Rico since the expansion program was undertaken?

General FLEMING. I do not think I can get those figures from the Army and the Navy.

Mr. DITTER. I think you will find they will be available to you, General. I think if you inquire of the budget officer of the Army and the budget officer of the Navy, they will give you the sum total.

General FLEMING. I am willing to make the inquiries. Since what date?

Mr. DITTER. Since the expansion program, the Army expansion program.

(The information is as follows:)

Work Projects Administration operations: Puerto Rico and the Virgin Islands

Fiscal year	Work Projects Administration Funds	Sponsors' Funds
1940.....	\$1, 183, 389	\$598, 909
1941.....	8, 866, 603	2, 212, 994
1942.....	14, 596, 521	3, 851, 890
1943 (through March 1943).....	9, 689, 122	3, 406, 258

Mr. DITTER. Could you tell me the number——

(Discussion off the record.)

Mr. DITTER. To what extent would you say that the continuance of W. P. A. in Puerto Rico, and the general approach to the economic problem, represents Rexford Tugwell's control or domination?

The CHAIRMAN. I do not think you have any jurisdiction over that, do you, General Fleming?

General FLEMING. I have not.

The CHAIRMAN. That would hardly come up here.

Mr. DITTER. I know, but if they are continuing W. P. A. down there, we ought to know whether Tugwell is doing it.

The CHAIRMAN. That will come before us later on.

AUDIT OF ACCOUNTS OF W. P. A. BY GENERAL ACCOUNTING OFFICE

Mr. DITTER. Now, to what extent, in what percentage of cases, has G. A. O. taken exception as a result of the audits made of any of the expenditures of W. P. A.; what percentage of cases?

Mr. FIELD. I do not have the exact percentage.

Mr. DITTER. You can put that in the record when you look over your remarks. In other words, you alleged one of the reasons for the continuance of this administrative staff was the clearing of your vouchers, that is, the vouchers of W. P. A. through G. A. O.

Mr. FIELD. That is right. Prior to April 1, 1942, all General Accounting Office exceptions were handled by the Treasury Department. On April 1, 1942, the Work Projects Administration assumed the responsibility for the clearance of all exceptions applicable to Work Projects Administration operations which had not been cleared at that time and for exceptions which subsequently may be taken.

Based on figures furnished the Work Projects Administration by the Treasury Department as of April 1, 1942, which figures have been supplemented during the fiscal year 1943, the report for the period ending May 31, 1943, shows that 6,067 exceptions have been taken by the General Accounting Office. Of this number, 5,872 replies have been made and 2,389 exceptions have been cleared. All other exceptions are now in the process of clearance. It is impossible to estimate the number of exceptions which will be taken by the General Accounting Office during the fiscal year 1944 since that Office is currently in process of auditing late 1941 and 1942 accounts.

INVESTIGATION OF IRREGULARITIES

Mr. DITTER. And I have noticed that in the statement by the Acting Director of the Bureau of the Budget "A large task will remain to be done after July 1, 1943, such as auditing accounts, settling amount of claims"—and then this startling statement: "Investigating irregularities." I want to know what amount of money you think will be required for the continuance of your administrative operations in the investigation of irregularities, or for the auditing and for the settlement of claims that have some question mark attached to them. Could you fix that up?

Mr. FIELD. I think it is right in here. We have a statement in here that a sum is set up to pay for investigative services performed by the F.W.A. Division of Investigation for an estimated 50 cases at an average cost of \$200 a case, or a total of \$10,000. That is based on our present experience, and we estimate there will be about 50 cases that may need to be investigated.

In addition to those 50 cases, there is a probability that it would be desirable to perform extensive investigations covering five special cases which are currently pending covering alleged conspiracies on the part of vendors, and one case involving pay-roll padding. If it should be determined desirable to investigate all these cases, an additional estimated sum would be required for this purpose in the amount of about \$30,000.

Mr. DITTER. That is what I read. I read that in here, and I found that you really should have boosted the figure, if you are going to do a complete investigating job.

Mr. FIELD. We have in New York some case involving conspiracy on asphalt which the Department of Justice feels might be desirable to conduct.

Mr. DITTER. Why could that not be turned over as is to the Department of Justice now and let you people out of the thing and save money?

Mr. FIELD. We have turned it over to them, but there are certain records that have to be tied back that the people in our organization are familiar with. We have just finished a case up in New York where there was turned over to the Treasury \$460,000 through our investigation.

Mr. DITTER. What case was that?

Mr. FIELD. That was a conspiracy on asphalt.

Mr. DITTER. Who was involved?

Mr. FIELD. There were about 29 different companies involved.

Mr. DITTER. What do you mean by that—the retailer, the manufacturer, or who?

Mr. FIELD. It was a group of retailers, brokerage firms and large asphalt firms.

General FLEMING. Some of the large oil firms were involved in that.

Mr. DITTER. Was the administrator involved?

Mr. FIELD. No.

Mr. DITTER. It seems to me that the conspiracy came about as a result of his incompetence of management rather than his connivance in mismanagement.

Mr. FIELD. It came about because the Procurement Division was buying asphalt for us, and the companies conspired against the Government to raise the price. It had nothing to do with our people, but it was material for our projects.

Mr. DITTER. So, if W. P. A. had been on its feet when the contract was let for the purchase, it should have discovered that thing at the time and not permitted the orgy of spending that resulted as a consequence of the conspiracy.

Mr. FIELD. The W. P. A. had no responsibility for the procurement of materials and equipment in any of our acts. It was always done by the Procurement Division of the United States Treasury. We just made a requisition and they made the purchases.

SEPARATE PERSONNEL GOING INTO OTHER FEDERAL AGENCIES SERVICES

Mr. DITTER. How many of your W. P. A. folks have found favorable berths over in other Government agencies since the course of your liquidation started?

Mr. FIELD. We have here a table which gives the latest information available on that, table 11. It includes tabulation of the administrative and appointive personnel separated from W. P. A. from January to December 1942.

Mr. DITTER. What does that figure show, just the sum total?

Mr. FIELD. The sum total shows that we separated during that period 15,931 people; 769 entering the armed services and 4,199 receiving other Federal jobs. The balance of 10,900 went into private employment.

Mr. DITTER. That figure of 4,199 includes regional office directors and the whole retinue previously attached to W. P. A.; is that right?

Mr. FIELD. That is right.

Mr. DITTER. Administrative and otherwise?

Mr. FIELD. No; just the administrative employees. We kept no record of the separations of supervisory project workers.

Mr. DITTER. You do not have anything on that?

Mr. FIELD. We keep no record on that.

BENEFICIAL RESULTS OF WORK DONE BY WORK PROJECTS
ADMINISTRATION

Mr. RABAUT. This really in a way constitutes the end of W. P. A. I wanted to say for the record, Mr. Chairman, that this was one of the most humane agencies ever established by the Government. I hope the day will come that folks that were assisted by this agency, who found this agency a haven of relief when they were almost in despair, will realize through their own efforts and the help that was given them in their hour of need, will rise to great heights in this country.

I want to compliment the general and his staff, in an agency that was as widespread as this agency was throughout the country going into every little crevice of the land, on the small amount of failure, the small amount of deception that was practiced in the agency. I do not condone any of it, of course, but there are always some apples that will not stand up in a barrel and, of course, this agency was no exception to that, but for the good that has been done it will never be able to be estimated.

Mr. DITTER. Is that intended as a eulogy or a benediction?

Mr. RABAUT. Both.

The CHAIRMAN. I would like to corroborate what the gentleman has said and make the statement that after a thorough investigation by this committee in which we spent more than \$100,000 trying to find something wrong with W. P. A., that it was demonstrated that never before was any agency created which so benefited the country as a whole. Under the testimony submitted to us, it prevented riots and bloodshed, it prevented an incredible amount of suffering and privation throughout the country, and it has also demonstrated that never before has such a large amount of money been disbursed over such a wide territory by such a large personnel with such a small amount of administration. The history of W. P. A. is a record of which the administration should be proud.

Mr. DITTER. May I say a word? I will say a word for just a moment in order to conserve both time and expense. I shall not attempt to give in detail my opinion with reference to W. P. A. It would probably be rather voluminous. But suffice it to say, memory haunts me that one Harry Hopkins found it advisable to move out from W. P. A. into a more secluded and favorable environment.

The CHAIRMAN. I might also add that although every charge was brought against W. P. A., and an investigation by this committee in which we spent more than \$100,000, was made, it was demonstrated that none of them had any foundation, and that as the result of the expenditure of \$100,000 in trying to find something about W. P. A. that could be criticized, no single prosecution ever resulted from that entire investigation. They found nothing that was worthy of prosecution.

Thank you, gentlemen.

Mr. RABAUT. I want to say further, Mr. Chairman, in the presence of the committee, that I do not think the W. P. A. ever had a greater friend than the chairman of this committee.

Mr. FIELD. We recognize that.

Mr. WIGGLESWORTH. Mr. Chairman, I want to say that I think the record of W. P. A. has spoken and will speak for itself, and I only

wish the record in terms of integrity and in terms of efficiency could in some way begin to approach the high humane objectives that the gentleman from Michigan has referred to.

The CHAIRMAN. I might say further, too, that two of the greatest administrators in my opinion who have ever served in the Government, Colonel Harrington and Colonel Sumervell, testified before this committee that there was nothing of serious dereliction or diversion of funds or maladministration that could be submitted to the Department of Justice for action by the Department of Justice. I thank you gentlemen.

SATURDAY, JUNE 5, 1943.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

STATEMENTS OF JOSEPH GREENBERG, ASSISTANT COMMISSIONER OF ACCOUNTS, TREASURY DEPARTMENT; AND MURRAY WISE, DIVISION OF AMERICAN REPUBLICS, STATE DEPARTMENT

PAYMENTS TO REPUBLIC OF PANAMA AND THE EXPORT-IMPORT BANK ON ACCOUNT OF CONSTRUCTION OF PANAMA'S SHARE OF CHORRERA-RIO HATO HIGHWAY

The CHAIRMAN. We have for consideration at this time a supplemental estimate of appropriation for the Treasury Department for the fiscal years 1943 and 1944, amounting to \$2,700,000. The item is shown in House Document No. 210, and reads as follows:

To enable the Secretary of the Treasury, in accordance with the provisions of section 3, joint resolution approved May 3, 1943 (Public Law 48), to pay to the Republic of Panama an amount equivalent to the principal and interest paid by that Government on account of the credit of \$2,500,000 made available to it by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato Highway, and to pay to the Export-Import Bank an amount sufficient to liquidate the remaining obligation of the Republic of Panama to that bank on account of the aforesaid credit, fiscal years 1943 and 1944, \$2,700,000.

Mr. Greenberg, this estimate is transmitted through Document No. 210 by the Office of the Secretary of the Treasury, to cover payments to the Republic of Panama and the Export-Import Bank on account of the construction of Panama's share of the Chorrera-Rio Hato Highway. I believe this is authorized by the provisions of section 3, joint resolution, approved May 3, 1943 (Public Law No. 48) and under that law payment is to be made by the Secretary of the Treasury to representatives of the Republic of Panama and representatives of the Export-Import Bank. Will you give us a statement on that?

Mr. GREENBERG. Yes, sir; as you say, Mr. Chairman, this supplemental estimate is to carry out the provisions of section 3 of Joint Resolution No. 14, approved May 3, 1943 (Public Law No. 48) which authorizes payment to the Republic of Panama and the Export-Import Bank on account of construction of Panama's share of the Chorrera-Rio Hato Highway.

I have a statement from the Export-Import Bank which indicates that substantially all of the sum of \$2,700,000 fixed as the limitation in section 3 of the law will be needed.

The CHAIRMAN. I note that the law says that the amount shall be "not to exceed \$2,700,000"?

Mr. GREENBERG. Yes, sir.

The CHAIRMAN. That means that any smaller amount that might be agreed upon could be paid but you state the entire \$2,700,000 will be required?

Mr. GREENBERG. Yes, sir; that estimate is based on a report from the Export-Import Bank of Washington which indicates that the amount necessary to reimburse the Republic of Panama and to liquidate the unpaid balance due the Export-Import Bank as of May 31, 1943, would be \$2,682,514.78. Subsequent to that date, interest will accrue at the rate of \$218.49 per day, so that it will soon reach the full limitation of \$2,700,000.

The CHAIRMAN. What is the rate of interest?

Mr. GREENBERG. Four percent; and if we do not get the \$2,700,000 very shortly we will need additional legislation to raise that limitation.

The CHAIRMAN. I see it is to be paid to the Republic of Panama and to the Export-Import Bank. How much will be paid to Panama and how much to the Export-Import Bank?

Mr. GREENBERG. The payments to the bank have totaled \$705,646 to May 31, 1943, comprising principal amounting to \$521,250 and interest of \$184,396; and payments due the bank from the Republic of Panama are \$1,966,453.88 for principal, and interest of \$10,414.90, to May 31, 1943.

The CHAIRMAN. What was the original loan by the Export-Import Bank to the Republic of Panama?

Mr. GREENBERG. The loan to the Republic of Panama was \$2,500,000 with interest at 4 percent. Of that amount the Republic of Panama has repaid to May 31, 1943, the principal amount of \$521,250 with interest of \$184,396.

Mr. LUDLOW. Is the Republic of Panama paying its debts on time?

Mr. GREENBERG. Yes, sir. They are slightly in arrears on interest but I believe otherwise they are up to date.

Mr. TABER. What is the reason we are paying this money instead of the Republic of Panama paying it?

Mr. GREENBERG. That is in accordance with the provisions of the act.

Mr. TABER. Why is that?

The CHAIRMAN. I take it for granted that this entire amount was due from the Republic of Panama but that the United States Government has assumed payment in exchange for certain benefits which are not mentioned in the act, such as airfields and similar concessions.

Mr. GREENBERG. Yes, sir. It was brought out in considerable detail in debate in the House on April 13.

The CHAIRMAN. That summarizes the transaction.

Mr. TABER. I would like to have you give us the reason why?

Mr. GREENBERG. Mr. Wise, would you like to make a statement on that?

Mr. WISE. The original agreement between the Republic of Panama and the United States provided that we would pay \$1,500,000 and the Republic of Panama would pay \$2,500,000, making a total of \$4,000,000.

The CHAIRMAN. Where is this road?

Mr. WISE. It is the so-called Chorrera-Rio Hato Highway.

The CHAIRMAN. Are those termini points three cities?

Mr. WISE. That is correct.

The CHAIRMAN. What is the mileage involved?

Mr. WISE. It is approximately 70 miles long.

The CHAIRMAN. Has the road been completed?

Mr. WISE. The road was opened July 1, 1942.

The CHAIRMAN. It is a modern concrete-steel highway fully bridged and open to the public?

Mr. WISE. That is correct.

The CHAIRMAN. Now give us a statement on it?

NATURE AND VALUE OF CHORRERA-RIO HATO HIGHWAY

Mr. WISE. The original cost was \$4,000,000, the sum of \$1,500,000 to be paid by the United States and \$2,500,000 to be paid by the Republic of Panama.

That agreement was made early in 1940. Under that agreement it was to be a cooperative project and the Panama authorities were to assume the responsibility for the construction of the highway with the technical advice of the Bureau of Public Roads Administration.

The CHAIRMAN. The value to the United States of this road is military rather than commercial?

Mr. WISE. Really, Congressman, it is a very important road and connects with the air base. This road connects the capital of the Republic with the airfield and the roads are being used to a great extent by our armed forces.

After Pearl Harbor the War Department asked that the responsibility for the completion of this road be turned over entirely to the Public Roads Administration in order to expedite the completion and opening by July 1, 1942. That was done immediately at our request.

I can say at our request the Panama authorities gave the Public Roads Administration the responsibility and the road was completed in accordance with our own specifications which were much above the specifications which the Republic of Panama would normally need.

Mr. LUDLOW. What right have we to use that highway?

Mr. WISE. The Panamanian Government maintains jurisdiction over the road but we have free and uninterrupted use of it, not only over this road but other roads in the Republic.

PAYMENT OF INTEREST TO EXPORT-IMPORT BANK

Mr. DITTER. Do I understand that we pay the Export-Import Bank 4 percent, the Treasury?

Mr. GREENBERG. The Republic of Panama agreed to pay 4 percent interest to the Export-Import Bank.

Mr. DITTER. Does the Treasury pay 4 percent?

Mr. GREENBERG. We simply reimburse the Export-Import Bank for the unpaid balance of the obligation assumed by Panama.

Mr. DITTER. It carries an obligation of 4 percent?

Mr. GREENBERG. Yes, sir.

Mr. DITTER. What are we paying to our own bondholders for the current issues that we are floating?

Mr. GREENBERG. The average rate at this time is somewhat under 2 percent.

Mr. DITTER. That is all.

Mr. WIGGLESWORTH. What was the consideration for the assumption of this obligation by the Treasury?

Mr. GREENBERG. I am not familiar with the background.

The CHAIRMAN. Suppose you leave that for the Export-Import Bank. They are a Government bank; are they not?

Mr. GREENBERG. Yes, sir.

The CHAIRMAN. And the 4 percent comes right back to the Government?

Mr. GREENBERG. It would, eventually; yes, sir.

Mr. DITTER. Wait a minute, Mr. Greenberg.

The 4 percent which the Export-Import Bank pays to the Panamanian Government does not come back.

Mr. RABAUT. They do not pay it.

The CHAIRMAN. It is the other way.

Mr. DITTER. We are to reimburse Panama and part of the obligation the Export-Import Bank is to pay Panama not only the amount of their contribution but also interest at the rate of 4 percent by reason of the fact that we have not paid on time.

Mr. RABAUT. Yes; for what Panama pays the bank. Panama pays the bank 4 percent.

Mr. DITTER. Panama's contribution is what we have done in the way of contributing to this highway. Isn't that right, Mr. Greenberg?

Mr. GREENBERG. No, sir.

Mr. DITTER. Who gets the 4 percent?

Mr. GREENBERG. We reimburse the Export-Import Bank for the principal which Panama has not paid.

Mr. DITTER. Who gets it? Doesn't the Government of Panama get the 4 percent, or does the Export-Import Bank get it.

Mr. GREENBERG. The Export-Import Bank gets interest to reimburse it.

Mr. DITTER. Then it is income to the Export-Import Bank?

Mr. GREENBERG. Well, it is simply a repayment of a loan they have made.

Mr. DITTER. Could you answer that categorically instead of evasively? Is it income to the Export-Import Bank?

Mr. GREENBERG. The interest is; yes, sir.

Mr. DITTER. Then that is all right. Then my critical approach is just as severe. In other words the Export-Import Bank can use that 4 percent as a tidy sum to show that it is a going concern and worth while whereas our poor taxpayers get only 2 percent for loaning their money to the bank.

Mr. RABAUT. You would not want the bank to be borrowing and loaning at the same price.

Mr. DITTER. It is just high finance. We are only trying to find where these money changers are, whether they are in the temple, or in other places.

Mr. WIGGLESWORTH. What was the consideration for the assumption of this obligation of the Republic of Panama by the United States Treasury?

Mr. WISE. Full responsibility for the completion of the highway which was formerly being undertaken by the Panamanian Govern-

ment and under specifications and in a manner laid down by this Government.

Mr. WIGGLESWORTH. What was the consideration for assuming that full responsibility? Why did we do it? What did we get for it?

Mr. WISE. Before Pearl Harbor the Panamanian Government made available defense areas and cooperated with this Government 100 percent in the war effort.

Mr. WIGGLESWORTH. And as a result of their making these various sites available for defense purposes we agreed to assume that obligation?

Mr. WISE. Our commitment was made practically at the same time that the Panamanian Government agreed to make defense sites available.

Mr. WIGGLESWORTH. We assumed those obligations in consideration of what the Panamanian Government was doing?

Mr. WISE. I would not limit it just to that.

Mr. WIGGLESWORTH. Is the assumption of the obligation linked with anything?

Mr. WISE. I should say no.

Mr. RABAUT. I should think it is linked with the solidarity of the Western Hemisphere?

Mr. WISE. Yes.

The CHAIRMAN. Are there any further questions?

Thank you.

SATURDAY, JUNE 5, 1943.

PROCUREMENT DIVISION

STATEMENTS OF W. N. REHLAENDER, ASSISTANT TO THE DIRECTOR; ACCOMPANIED BY A. J. WALSH, DEPUTY DIRECTOR; CECIL W. BARNES, CHIEF, BUDGET AND ADMINISTRATIVE PLANNING DIVISION; AND W. B. WRIGHT, ADMINISTRATIVE ANALYST, PROCUREMENT DIVISION, TREASURY DEPARTMENT

ADMINISTRATIVE EXPENSES FOR LIQUIDATION OF THE EMERGENCY RELIEF PROGRAM

The CHAIRMAN. Mr. Rehlaender, the committee had under consideration an item in House Document No. 197 of \$150,000 for administrative expenses of the Procurement Division for the fiscal year 1944, to effect the liquidation of the operations of the emergency relief program. The item was brought to us in a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1944, as follows:

Emergency relief, Treasury Procurement Division, administrative expenses: For administrative expenses of the Procurement Division, fiscal year 1944, to effect the liquidation of the operations of said Division incident to the emergency relief program, \$150,000.

JUSTIFICATION OF ESTIMATES

Mr. REHLAENDER. Mr. Chairman, I would like to submit for the record a justification of the estimates for the fiscal year 1944.

The CHAIRMAN. Without objection the justification may be inserted in the record at this point.

Emergency Relief, Treasury, Procurement Division, Administrative Expense

Emergency relief appropriation, 1943-----	\$1,000,000
Add transfers from other appropriations:	
Federal Security Agency National Youth Admin- istration-----	\$180,000
Federal Housing Administration-----	500
	<u>180,500</u>
	1,180,500
Less estimated savings and unobligated balance-----	17,500
	<u>1,163,000</u>
Base for 1944-----	1,163,000
Reductions:	
Curtailment of volume of work and liquidation of Work Projects Administration program-----	1,013,000
	<u>150,000</u>
Total estimate or appropriation for 1944-----	150,000

There follows a general indication of the objects of expenditures included under each classification, and a showing for each classification of the actual expenditure for 1942, the estimated expenditure for 1943, and the estimated requirement for 1944.

	Estimated, 1944	Estimated, 1943	Actual, 1942
01 Personal services: To provide for the salaries of permanent employees-----	\$120,000	\$972,000	\$2,289,974
OTHER OBLIGATIONS			
02 Travel expenses: To provide for travel incident to the liquidation of the Emergency Relief program-----	3,000	14,000	18,777
03 Transportation of things: To provide for transportation and drayage of files and incidental freight and express-----	5,000	53,000	12,732
04 Communication services: To provide for telephone rentals, local- and long-distance calls, telegrams, and postage-----	5,000	27,600	44,225
05 Rents and utility services: To provide for rental of office and storage space, lights, heat, water, etc-----	15,000	85,500	140,511
06 Printing and binding: To provide for the printing of necessary forms-----	200	327	28,327
07 Other contractual services: To provide for repairs to typewriters, calculating machines, and duplicating equipment-----	300	3,555	4,305
08 Supplies and materials: To provide for supplies and materials, including envelopes, carbon paper, stationery, etc-----	1,500	7,000	44,269
09 Equipment: To provide for the purchase of office machines, filing cases, desks, chairs, and other equipment-----		18	4,605
Total other obligations-----	30,000	191,000	297,751
Total obligations-----	150,000	1,163,000	2,587,725
Less transfers and reimbursements-----		180,500	326,189
Unobligated balance-----		+17,500	+138,434
Estimate or appropriation-----	150,000	1,000,000	2,400,000

The CHAIRMAN. Will you give us a statement on these estimates?

PROPOSED USE OF ESTIMATE REQUESTED

Mr. REHLAENDER. Mr. Chairman, the appropriation estimate under consideration is to provide funds to enable the Procurement Division to complete the functions and responsibilities assigned to it pursuant to the Emergency Relief appropriation acts.

Since the Emergency Relief program began, purchases made by the Procurement Division for various activities under that program aggregate about \$1,400,000,000. They represent equipment, supplies, and materials required by the Work Projects Administration, the National Youth Administration, and other offices operating with Emergency Relief funds.

The administrative expenses of this procurement work have totaled less than \$42,000,000, at an operating cost of less than 3 percent. During the fiscal year 1943 the same low cost has been maintained, despite the decrease in volume due to the progressive reductions in Work Projects Administration requirements.

Because of the reduced programs of the agencies served, our field organization was placed on a regional basis early in the fiscal year 1943. Eight regional offices were established, supplemented by a small organization in most States to assure maximum service at a minimum cost.

On December 4, 1942, the President directed that the Work Projects Administration curtail its activities and that plans be made to stop all operations by June 30, 1943. The sharp decrease in Work Projects Administration requirements, in compliance with the President's direction, had a direct effect on the Procurement Division field purchasing facilities.

Coincident with the discontinuance of operations in the several States by the Work Projects Administration, the field offices of the Procurement Division have been closed, the personnel released, and files moved to a central location within each region.

The amount of \$150,000 requested is to cover administrative expenses during the fiscal year 1944 and has been determined on the basis of the work which must be done after all purchasing under Emergency Relief funds has ceased. The Procurement Division has an obligation to effect as prompt payment as possible to contractors and it is estimated that the liquidation of the Emergency Relief purchasing activity will involve treatment of over 41,000 accounts, representing over \$4,800,000 of disbursements.

The general work will consist principally of processing outstanding accounts representing purchases made, concluding incomplete transactions, and the disposition of files and property. The payment of pending obligations is complicated because of the difficulty in obtaining proper source documents since the files and records in many cases are no longer in the custody of employees acquainted with the transactions.

On July 1, 1942, there were 1,092 employees engaged in Emergency Relief activities; as of May 31, 1943, this force had been reduced to 232, and it is anticipated that the personnel requirements for varying periods at different locations will aggregate 44.4 man-years for the fiscal year 1944. On this basis, funds for personal services including overtime will be required in the amount of \$120,000. The additional

\$30,000 is required to cover other necessary expenses such as rental of office and storage space, cost of moving files, etc.

The CHAIRMAN. You say that the estimate includes \$120,000 for 44.4 man-years?

Mr. REHLAENDER. That is right, sir.

The CHAIRMAN. How many positions does that cover?

Mr. REHLAENDER. Well, that is a varying number, Mr. Chairman. They will start out July 1, 1943, the beginning of the fiscal year, with 107 positions, and this force will be reduced progressively.

The CHAIRMAN. When do you expect to close them all out?

Mr. REHLAENDER. We expect to have a certain number of people on the rolls until the end of June 1944, that is primarily in Washington and certain of the centralized field offices.

The CHAIRMAN. Will the Department liquidate this within a year?

Mr. REHLAENDER. We hope that it will be liquidated within the year, Mr. Cannon.

The CHAIRMAN. If so, you will have nobody left on your rolls at the end of the year?

Mr. REHLAENDER. That is right.

The CHAIRMAN. That is your objective? You have that in view, if it can be done?

Mr. REHLAENDER. That is right; we have planned this by months.

The CHAIRMAN. Suppose you give us a list of these employees by months? You can just insert that in your testimony at this point?

Mr. REHLAENDER. Yes, sir.

(The data are as follows:)

Emergency Relief, fiscal year 1944

	<i>Number of em- ployees</i>		<i>Number of em- ployees</i>
July 1943.....	107	January 1944.....	26
August 1943.....	99	February 1944.....	25
September 1943.....	89	March 1944.....	20
October 1943.....	51	April 1944.....	15
November 1943.....	46	May 1944.....	13
December 1943.....	44	June 1944.....	13

NUMBER OF FIELD OFFICES

The CHAIRMAN. Now this "Other obligations," those are all spent in the District?

Mr. REHLAENDER. No, sir; that covers field offices throughout the country.

The CHAIRMAN. How many of them are there?

Mr. REHLAENDER. On July 1, 1942, we had 46 offices; on January 1, 1943, we had 40 offices; we planned and had only 11 offices on May 1, 1943, and we plan on June 30, 1943, to have only 8 offices.

We will start the next fiscal year 1944 with seven offices located in New York, Washington, Atlanta, Chicago, Kansas City, Denver, and San Francisco. We propose to close San Francisco, Denver, and Kansas City in September 1943; Atlanta on December 31, 1943; and maintain Washington, New York, and Chicago for the balance of the period that it requires us to liquidate. In other words we are closing out all of these small points, centralizing the files, claims, and documents in the main areas and then attempt to liquidate from those points.

HANDLING OF SURPLUS PROPERTY

The CHAIRMAN. How are you handling the surplus property that is being turned over to you by the Federal Works Agency?

Mr. REHLAENDER. That will be declared surplus to the Federal Property Utilization Branch, and they will pick it up and handle it.

The CHAIRMAN. How do they handle it?

Mr. REHLAENDER. By transfer to other activities of the Government, and if there is no governmental need for any of it then it is sold to the highest bidder.

The CHAIRMAN. It is sold to private parties?

Mr. REHLAENDER. When no Government need is established.

The CHAIRMAN. The Government has first call?

Mr. REHLAENDER. They have first call at all times. The property comes to us from the W. P. A. for disposition and it is not our problem until it is declared surplus.

This estimate does not contemplate anything excepting taking care of the administrative expense within the Procurement Division, incident to the liquidation of Emergency Relief procurement activities.

The CHAIRMAN. It does not cover the property they turn over to you?

Mr. REHLAENDER. No, sir.

MONDAY, JUNE 21, 1943.

FEDERAL PROPERTY UTILIZATION

**STATEMENT OF CLIFTON E. MACK, DIRECTOR, ACCOMPANIED
BY WILLIAM REHLAENDER, ASSISTANT TO THE DIRECTOR,
AND F. A. MAPES, AND C. W. BARNES, PROCUREMENT DIVISION**

TRANSFER, HOUSING, REHABILITATION, ETC., OF SURPLUS EQUIPMENT

Mr. LUDLOW. Well, Mr. Mack, we have before us an estimate contained in House Document No. 231 for the Property Utilization Division of the Office of Procurement for the fiscal year 1944 in the amount of \$4,500,000.

Federal property utilization: For necessary expenses of the Procurement Division in connection with the transportation, handling, warehousing, safeguarding, rehabilitating, transferring to Government agencies, and otherwise disposing of supplies and equipment, including personal services in the District of Columbia and elsewhere, stationery (not to exceed \$35,000), purchase (including exchange) of books of reference and periodicals, printing and binding (not to exceed \$12,000), and advertising, fiscal year 1944 (Act of December 20, 1928, 45 Stat. 1030-1031; Reorganization Act of 1933, 47 Stat. 1517; Executive Order 6166, June 10, 1933; First War Powers Act, 1941, 55 Stat. 838; Executive Order 9235, August 31, 1942), \$4,500,000.

Mr. LUDLOW. I wonder if you would give us a general statement at this time.

GENERAL STATEMENT

Mr. MACK. I have a prepared statement and I would like to read it. (The statement is as follows:)

Mr. Chairman, the appropriation estimate I am presenting today for your consideration is to provide funds to enable the Procurement Division to carry out, during the fiscal year 1944, its functions and responsibility in connection with the warehousing, rehabilitation, transfer and sale of surplus equipment, materials and supplies, as covered by the terms of Executive Order No. 9235.

Prior to Executive Order No. 9235, the Procurement Division exercised only a general coordination over the disposal of surplus equipment and supplies. Transfers were made in the field service between agencies without exchange of funds, and where there was no Federal need for the property, it was disposed of by the owning agency.

Transfers within the District of Columbia were made in accordance with the act approved December 20, 1928 (45 Stat. 1030), which required agencies requisitioning such property to pay for it at appraised prices. Proceeds from such transactions were deposited to the credit of Miscellaneous Receipts of the Treasury.

The Procurement Division was without authority to determine surpluses and acted only with reference to such equipment, materials, and supplies as were voluntarily reported to it. In the field service the respective agencies disposed of their surplus property that was not transferred to Government agencies under their own regulations.

Excessive stocks, lack of maximum utilization, unauthorized augmentation of appropriations by the transfer of equipment, materials, and supplies from one agency to another in the field without cost resulted in loss of revenue to the Treasury and waste in other forms.

The need for more adequate control over this problem became evident last summer with the growing scarcity of goods. Various Government programs were handicapped for lack of equipment and supplies while others had excess stocks. Congress indicated awareness of the need for action as indicated in a report by a subcommittee of the Senate Committee on Appropriations (S. Rept. No. 1554, 77th Cong., July 22, 1942).

In the light of the foregoing considerations, the President issued on August 31, 1942, to be effective October 16, 1942, Executive Order No. 9235 which provides:

"SECTION 2. The Director of the Bureau of the Budget, acting through such assistants as he may designate, shall:

"(a) Survey supplies and equipment in possession of Government agencies and the utilization thereof. For this purpose he may require the Government agencies to submit reports and estimates in such form and at such times as he may find necessary: *Provided*, that in making such surveys he shall utilize, subject to the approval of the Secretary of the Treasury, the services and facilities of the Procurement Division of the Treasury Department:

"(b) Develop and promulgate such qualitative and quantitative standards with respect to supplies and equipment used by Government agencies as he may deem necessary to effectuate the purposes of this order:

"(c) Require, when, in his opinion, such action is necessary or expedient, the transfer from one Government agency to another, for permanent or temporary use, of such supplies and equipment as he may determine to be surplus to the needs of one agency and essential to the needs of another agency."

"SECTION 3. The Procurement Division of the Treasury Department shall undertake such warehousing, rehabilitation, and physical distribution of supplies and equipment for Government agencies, and, in connection therewith, shall take over such Government warehouses, appurtenant facilities, and personnel used or employed by other Government agencies in the performance of these functions, together with such funds heretofore or hereafter provided therefor, as the Director of the Bureau of the Budget may approve."

Shortly after the effective date of this order, the President submitted to Congress a special message urging legislative consideration of the problems of effective management of equipment, materials, and supplies and the enactment of a legislative framework in which efficient management in this field might be developed. These legislative proposals were referred to the House and Senate Committees on Expenditures in the Executive Departments. The House committee, after several months' study of the problem, submitted a bill to provide

the necessary remedial measures. This bill, H. R. 2795, entitled, "To amend the Budget and Accounting Act, 1921, to provide for the more efficient utilization and disposition of Government property other than land or buildings and facilities or fixtures appurtenant thereto, and for other purposes," was passed by the House of Representatives on June 9, 1943.

A more active program of Federal property utilization was initiated upon the issuance of Executive Order No. 9235. In cooperation with the Bureau of the Budget, the Procurement Division made a survey of the situation and developed plans for an organization to undertake the warehousing, rehabilitation, and physical distribution of surpluses. It is understood that these plans were discussed informally by representatives of the Bureau of the Budget with members of the House Appropriations Committee and an agreement reached that the initial organization and operations should be financed through June 30, 1943, from the President's emergency fund. Accordingly the sum of \$600,000 was allotted from this source.

In brief I may say that this \$600,000 expended on the Federal property utilization program will be returned to the Treasury many times as a result of the operations under this activity.

Following the period of examination and review of the problem, actual operations in the handling of surpluses in the field were begun by the Procurement Division. A field organization was developed and the actual transfer and sale of supplies, material, and equipment surplus to the needs of the various Federal agencies undertaken. As a result of the operations to May 31, 1943, over \$8,000,000 will be credited to the Treasury as "Miscellaneous receipts."

Probably more important than the revenue credited to the Treasury was the expediting of the war program of the United States by the reassignment of vital and critical materials to those agencies whose operations were being delayed by the absence of the supplies, materials, and equipment made available by transfer. One instance which might be cited as typical of the success of the program occurred on the west coast, where a shortage of hand tools was slowing up ship production. Upon receipt of a request from the Maritime Commission representative, the Regional Property Officer of the Procurement Division made a canvass of the Federal agencies in the area and succeeded in locating the items needed and effected a transfer to the ship yard. It is stated by the Maritime Commission that "without this equipment at least one of the yards would not be operating today" (April 28, 1943), and that "certain ships now in commission would still be on the ways." A complete machine shop appraised at \$30,000 was also transferred to this Commission for use in the maintenance of ships hauling rubber down the Amazon.

Another incident occurred when the Bureau of Internal Revenue called upon the Procurement Division to locate equipment and supplies necessary to open an office in Phoenix, Ariz. Within the space of a few days, the required equipment was made available and the office placed in operation. In Chicago, tractors urgently needed by the Navy Department were located and transferred to the Navy Department. In California, items of lumber and plywood were located and made available for immediate use by a naval air station.

This program of property utilization offers the only planned approach as yet undertaken to accomplish the transfer of items surplus to the needs of one Federal agency to another requiring such articles or providing an orderly means of sale whereby surpluses are offered to the public. This program will result in a saving in manpower in the manufacture of supplies, materials, and equipment, and will effect a saving in the use of critical materials required for the successful prosecution of the war.

The field operating structure of the Federal property utilization branch was established in the regional organization of the Procurement Division. The regional property offices are located in the following cities: Boston, Mass.; New York City, N. Y.; Washington, D. C.; Cincinnati, Ohio; Chicago, Ill.; Atlanta, Ga.; Fort Worth, Tex.; Kansas City, Mo.; Denver, Colo.; San Francisco, Calif.; Seattle, Wash.

The functions of these offices with respect to surplus property are to receive declarations of surplus, to appraise such surplus, to recondition items which are susceptible to economical rehabilitation, to publicize to Federal activities the availability of surplus, to receive and act on resulting requisitions from Federal agencies, and to arrange for the sale to non-Federal agencies or to the public of property for which no further official use can be established.

A central warehouse facility will be established at each of the regional headquarters to handle this activity for the region. Subwarehouses and assembly

centers will be established in each region as it is determined that the volume and character of work indicates an economy in service through such means.

To date the progress in this program has been principally the organization of offices and procedures on a national basis and the actual treatment of surpluses declared since February 1943. There are, however, already definite indications that during the fiscal year 1944 the volume of surplus property which will come within the purview of this new function will be very greatly increased.

In addition to the amounts anticipated from the Work Projects Administration, there probably will be a sizable amount from the National Youth Administration, the Farm Security Administration, the Civilian Conservation Corps, and such agencies as have been or may be curtailed by a reduction in appropriation for the fiscal year 1944, or as a result of determination of surplus made by the Director of the Bureau of the Budget under Executive Order No. 9235, or as a result of personnel reductions ordered by the Bureau of the Budget. Considering also indicated releases from the War Department, it is estimated that during the fiscal year 1944 equipment and supplies aggregating between seventy-five and one hundred million dollars will be reported for handling under this Federal property utilization program.

From February 1 to May 31, 1943, declarations of federally owned surplus aggregating \$17,423,917 were received. Of this \$8,617,955 worth has been transferred or sold and the proceeds in like amount will be covered into miscellaneous receipts of the Treasury Department. Undisposed of surplus property in the custody of the Procurement Division in warehouses on May 31, 1943, was \$8,805,962. As rapidly as this is sold or transferred, the proceeds will also be credited to miscellaneous receipts.

On December 4, 1942, the President asked that the Work Projects Administration activities be curtailed and plans made for its liquidation by June 30, 1943. As the project operations were suspended, declarations of surplus were made to the Procurement Division. Transfer or sale of this surplus will have been completed in 19 States and in the District of Columbia by June 20, 1943.

The Work Projects Administration will have completed all project operations this fiscal year, at which time physical custody of surplus property, aggregating approximately \$25,000,000 will be assumed, representing property located in 51 warehouses in 29 States.

It has been established that the most economical method for the Government to follow in disposing of this surplus is to retain it in the present warehouses pending transfer to other Federal agencies or sale to the public. Final disposition of this property will be completed within 90 days from July 1, 1943. Ten of the warehouses will be closed in 30 days.

The Work Projects Administration conducted a program in which manpower operations were stressed, rather than machine operations. In consequence, the inventory will contain an unusual proportion of hand tools of small unit value which will require many more sales transactions than would normally be expected under an inventory of this size.

The Procurement Division will employ on a temporary basis for the period of warehouse liquidation some of the employees at present on the Work Projects Administration pay roll. These employees include warehouse supervisors, clerks, stenographers, etc., and warehouse laborers. The services of these employees will be required only during the period necessary for the disposition of Work Projects Administration surplus.

In organizing and operating this program, the Procurement Division is providing practical machinery for dealing with existing conditions. The experience gained will be useful for guidance in dealing with the unprecedented post-war problem of Federal surplus.

In peacetimes, extracting the last unit of potential service from materials, supplies, and equipment through a unified program embracing all Government agencies is commendable national thrift. During war, it may well be regarded as vital to national safety.

Mr. LUDLOW. There is a split responsibility. The Director of the Budget has certain things to do and you have certain things to do. The duty of making the surveys, and so forth, seems to be delegated to the Bureau of the Budget.

Mr. MACK. The Executive order places the responsibility for policy determinations on the Director of the Bureau of the Budget, and the operating job on the Procurement Division.

Mr. LUDLOW. I would like to get more clearly what are the duties of the Director of the Budget under this order.

Mr. MACK. Their primary duty is to determine policies and prepare regulations to bring about the release of surpluses.

Mr. LUDLOW. Does he have facilities to find out where these surpluses exist all over the United States? How does he do it?

Mr. MACK. Thus far their approach along those lines has been in terms of raising the question through Budget examinations.

Mr. LUDLOW. Does the bill that has passed the House put the same duties on the Director of the Budget?

Mr. MACK. It incorporates substantially the provisions of Executive Order No. 9235 and makes further provision with regard to sales, as well as specifying that a study be made by a joint committee of Congress.

Mr. LUDLOW. I never saw this Executive order before, but looking at it and comprehending the tremendous difficulties of the Director of the Budget, I was just wondering how he could go into these details and do these things.

Will you put into the record a verbatim copy of the entire order?

Mr. MACK. I will do that.

(The order is as follows:)

[Excerpt from Federal Register, Vol. 7, No. 175, September 4, 1942]

EXECUTIVE ORDER 9235

PROVIDING FOR THE EFFECTIVE UTILIZATION OF SUPPLIES AND EQUIPMENT BY GOVERNMENT AGENCIES

By virtue of the authority vested in me by Title 1 of the First War Powers Act, 1941 (Public Law 354, 77th Cong.) by Title 11 of the Budget and Accounting Act, 1921 (42 Stat. 20), and as President of the United States, and for the purpose of providing such general direction and control over the use of supplies and equipment in the Executive branch of the Government as will insure the most economical and effective utilization thereof, it is hereby ordered as follows:

1. As used in this order:

(a) GOVERNMENT AGENCY means any executive department, independent establishment, agency, commission, board, bureau, division, administration, service, or office of the Executive branch of the Federal Government, including any independent regulatory commission or board and any Government-owned or Government-controlled corporations.

(b) SUPPLIES AND EQUIPMENT means any and all supplies, equipment, machines, commodities, accessories, parts, assemblies, or products of any kind in the possession of any Government agency, whether new or used, in use or in storage:

PROVIDED, that supplies and equipment which the Director of the Bureau of the Budget determines to be within the following categories shall not be subject to this order: (1) tactical supplies and equipment of the War Department, the Navy Department, or the United States Maritime Commission, (2) food and clothing, (3) construction materials acquired for the maintenance or construction of housing, electric power works or facilities, roads, reservoirs, or other physical improvements, (4) supplies and equipment acquired by any Government agency for transfer or export to any foreign or domestic sources for stock piling in connection with the war.

2. The Director of the Bureau of the Budget, acting through such assistants as he may designate, shall:

(a) Survey supplies and equipment in possession of Government agencies and the utilization thereof. For this purpose he may require the Government agencies to submit reports and estimates in such form and at such times as he may find necessary;

Provided, that in making such surveys he shall utilize subject to the approval of the Secretary of the Treasury, the services and facilities of the Procurement Division of the Treasury Department;

(b) Develop and promulgate such qualitative and quantitative Standard with respect to supplies and equipment used by Government agencies as he may deem necessary to effectuate the purposes of this order;

(c) Require, when, in his opinion, such action is necessary or expedient, the transfer from one Government agency to another, he may determine to be surplus to the needs of one agency and essential to the needs of another agency;

(d) Consult with and seek the advice of the War Production Board in connection with the administration of paragraphs (a), (b), and (c), above;

(e) Issue such regulations and directives as may be necessary to effectuate this order.

3. The Procurement Division of the Treasury Department shall undertake such warehousing, rehabilitation, and physical distribution of supplies and equipment for Government agencies, and, in connection therewith, shall take over such Government warehouses, appurtenant facilities, and personnel used or employed by other Government agencies in the performance of these functions, together with such funds heretofore or hereafter provided therefor, as the Director of the Bureau of the Budget may approve.

4. This order shall become effective October 16, 1943, and shall continue in force and effect so long as Title 1 of the First War Powers Act, 1941, remains in force.

5. This order shall be published in the Federal Register.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, August 31, 1942.

Mr. MACK. Thus far, the primary surpluses that have been declared are W. P. A. surpluses, also N. Y. A. and various other Federal agencies.

Mr. TABER. We have a special estimate for handling that.

Mr. MACK. I believe W. P. A. has asked for an appropriation to liquidate but this estimate is for the disposition of all Federal surplus property declared to us.

FUNCTIONS OF THE PROCUREMENT DIVISION WITH RESPECT TO SURPLUS SUPPLIES AND EQUIPMENT

Mr. LUDLOW. Does the Procurement Division have any functions with respect to the surplus supplies and equipment except as to being the receivers, surveyors, storekeepers, rehabilitators, and salesmen for that property?

Mr. MACK. That is correct. That is our job. When the property is declared to the Procurement Division by the owning agency as surplus, we then appraise and take steps to determine whether there is a need in another Federal department or agency; if not, we then dispose of it by sale.

Mr. LUDLOW. Is the Executive order confined entirely to supplies and equipment?

Mr. MACK. Yes; it does not concern real estate.

Mr. LUDLOW. So what is embraced within that category, what supplies and equipment?

Mr. MACK. There is a very wide scope. The definition under Executive Order No. 9235 under which we are operating today says—

Supplies and equipment means any and all supplies, equipment, machines, commodities, accessories, parts, assemblies, or products of any kind in the possession of any Government agency, whether new or used, in use or in storage.

There are certain exceptions that I might point out.

Provided, That supplies and equipment which the Director of the Bureau of the Budget determines to be within the following categories shall not be subject to this order:

(1) Tactical supplies and equipment of the War Department, the Navy Department, or the United States Maritime Commission, (2) food and clothing, (3) construction materials acquired for the maintenance of construction of housing, electric power works or facilities, roads, reservoirs, or other physical improvements, (4) supplies and equipment acquired by any Government agency for transfer or export to any foreign or domestic sources for stock-piling in connection with the war.

SIZE OF QUANTITY DEALT WITH

Mr. LUDLOW. How small a quantity do you deal with? Obviously you would not deal with one shovel. What is the size of the quantity that brings it within the scope of your handling?

Mr. MACK. Up to this point our work has had to do almost altogether with transfers to other Federal agencies. Therefore the matter of quantity has varied a good bit depending upon the needs of the Federal agencies. Now that we are getting into a sales program which is an entirely different approach, we want to avoid selling in quantities that are too large to enable a wide distribution. At the same time, we do not want to sell in such small lots that it will be impractical for disposition of substantial surpluses. Therefore, right now, we have a group studying the matter of determining just how various major commodities will be sold. Many types of commodities will be solid in fairly substantial lots; others in smaller lots.

Mr. LUDLOW. Does the Executive order apply to supplies and equipment of the Army, Navy, and Marine Corps as well as other agencies?

Mr. MACK. No. They may voluntarily declare surpluses to us, which they have done.

Mr. LUDLOW. They have done that?

Mr. MACK. Yes.

Mr. LUDLOW. When you say "they," what do you mean?

Mr. MACK. The Army, the Navy, and the Maritime Commission.

NUMBER OF SURPLUS PROPERTY DECLARATIONS

Mr. LUDLOW. Up to the end of May how many declarations of surplus have there been and what is the value of the property covered by those declarations?

Mr. MACK. From February 1 to May 31 we had 14,981 declarations.

Mr. TABER. Why not put that story on schedule No. 1 in the record?

Mr. LUDLOW. All right, we will insert it in the record at this point.

SCHEDULE 1.—Federal Property Utilization Branch, cumulative report of operation, Feb. 1 to May 31, 1943

Re- gion No.	Location	Volume of transactions						Cost of operations		
		Declarations		Transfers		Sales		Value inventory on hand	Total value of transfers and sales	Total cost of operation
		Number	Value	Number	Value	Number	Value			
2	New York, N. Y.	3, 199	\$4, 910, 906	1, 792	\$2, 267, 598	202	\$56, 963	\$2, 505, 405	\$2, 324, 501	\$83, 585
3	Washington, D. C.	4, 444	3, 550, 381	706	1, 494, 952	41	173, 173	2, 177, 256	2, 274, 425	30, 466
5	Chicago, Ill.	3, 582	3, 787, 380	2, 892	1, 491, 690	279	172, 220	2, 253, 710	1, 533, 370	85, 498
6	Atlanta, Ga.	3, 890	3, 365, 789	1, 987	1, 451, 743	176	33, 125	1, 798, 921	1, 476, 808	39, 148
8	Kansas City, Mo.	1, 317	1, 618, 475	1, 217	821, 413	86	18, 885	178, 177	840, 298	33, 403
9	Denver, Colo.	1, 099	632, 940	1, 320	452, 392	36	5, 507	75, 981	385, 069	22, 401
10	San Francisco, Calif.	645	1, 236, 511	1, 204	13, 405	---	---	523, 106	713, 065	20, 741
11	Seattle, Wash.	825	864, 654	720	387, 237	30	---	470, 203	394, 391	16, 548
	Central office	---	658, 541	---	593, 398	---	---	63, 143	593, 398	34, 044
	Total	14, 981	17, 423, 917	11, 838	8, 378, 988	850	238, 967	8, 805, 962	8, 617, 955	377, 484
										.044

¹ Adjustment made to compensate for proceeds from sales under term contracts previously reported under sales.

Mr. LUDLOW. You have already given us the value of the sales. Now, the cost per dollar of transfers was \$0.044.

Mr. MACK. Yes; for that period, February 1 to May 31.

BASIS OF ESTIMATES

Mr. LUDLOW. Taking up your estimate of \$4,500,000, on what basis was that estimated?

Mr. MACK. It was made on the basis of our experience thus far. Also, consideration as to the organizational requirements for the sale of surplus property.

Mr. LUDLOW. Do you have the factors at hand that enabled you to make a fairly close estimate?

Mr. TABER. Why can you not tell us? You have got in sight other properties that you have got to handle. Tell us what it is and where it is coming from and how much it is supposed to be worth and why you would need the amount of money that you are asking us for for next year.

Mr. MACK. Our estimate is that the surpluses that will be declared to us during the fiscal year 1944 will be approximately \$75,000,000 to \$100,000,000.

Mr. TABER. Where is it coming from?

Mr. MACK. There will be an inventory on hand of about \$25,000,000 at the close of this fiscal year of W. P. A. property.

Mr. LUDLOW. Tell us what volume of property you expect to come from these different agencies—W. P. A., for instance.

Mr. MACK. We feel that by June 30 they will have declared to us all of their property, and that will give us an inventory of their property as of June 30 to be disposed of in the amount of \$25,000,000.

Mr. LUDLOW. How about N. Y. A.?

Mr. MACK. The N. Y. A. has declared property to us as surplus.

Mr. LUDLOW. In what volume?

Mr. MACK. Not too substantial a volume. Possibly a few million. We will have some of that in the inventory as of June 30, and we will be having more declared, of course, by the N. Y. A. in the next fiscal year.

Mr. WIGGLESWORTH. Does that depend upon whether N. Y. A. continues or not?

Mr. MACK. The volume would be affected if they were continued.

Mr. WIGGLESWORTH. What is your estimate based on?

Mr. MACK. On the assumption that if their activities are curtailed, or done away with, we are bound to have a substantial surplus from them of machine shop and woodworking equipment, office equipment, and supplies.

Mr. WIGGLESWORTH. You estimated \$25,000,000, did you not?

Mr. MACK. That is W. P. A.

Mr. WIGGLESWORTH. How much for the N. Y. A.?

Mr. MACK. I do not have anything to base an actual figure on. I would say perhaps in the neighborhood of \$5,000,000 to \$10,000,000.

Mr. WIGGLESWORTH. Assuming that they were discontinued, or continued?

Mr. MACK. If continued their surpluses would nevertheless be substantial possibly from \$5,000,000 to \$10,000,000.

Mr. LUDLOW. You used the figure of \$25,000,000 awhile ago for N. Y. A.

Mr. TABER. That is right, he called it N. Y. A.

Mr. MACK. I meant to say W. P. A.

Mr. TABER. I thought that you got \$16,000,000 from W. P. A. already and you have disposed of \$8,000,000.

Mr. MACK. That is right. The total value of W. P. A. property declared to us should run in the neighborhood of \$40,000,000.

PROPERTY TO BE ACQUIRED

Mr. LUDLOW. I would like to see how you build up your volume of \$100,000,000. Let us break that down.

Mr. MACK. The first item would be the inventory on June 30 which would be about \$25,000,000.

Mr. TABER. This thing here shows \$8,000,000.

Mr. MACK. That is the present inventory. Declarations are coming through now in large volume. As a matter of fact, most of them are coming through this month and are now being recorded. They are turning over warehouses to us at the end of the month.

Mr. LUDLOW. It will be \$25,000,000 at the end of the month, you estimate?

Mr. MACK. Yes. That is W. P. A.

Now, N. Y. A., it is our estimate if they even continued on a curtailed basis, that the declarations would be in the neighborhood of from \$5,000,000 to \$10,000,000. If they discontinue doing business, it should be in excess of \$25,000,000, possibly \$30,000,000 to \$35,000,000.

Mr. LUDLOW. How about Farm Security?

Mr. MACK. I am giving you estimates——

Mr. LUDLOW. I understand.

Mr. MACK. I would have to guess. It would be perhaps in excess of \$5,000,000.

Mr. WIGGLESWORTH. If it continues?

Mr. MACK. Yes.

Mr. WIGGLESWORTH. And how much if it does not continue?

Mr. MACK. It is awfully hard to guess. It would be substantially in excess of that.

Mr. LUDLOW. How about C. C. C.?

Mr. MACK. There is C. C. C. property which is in the hands of the War Department and the War Department has indicated to us that that property will be released as surplus to us for disposition by us.

Mr. WIGGLESWORTH. How much?

Mr. MACK. It will run between \$25,000,000 and \$30,000,000.

Mr. LUDLOW. You are still far short of \$100,000,000.

Mr. MACK. I have more to go yet. Then there is other property of various types to be disposed of for the War Department. The \$25,000,000 item has to do only with C. C. C. There will be an additional amount of approximately \$25,000,000 according to the best information that we are able to get.

Mr. LUDLOW. What kind of property is that?

Mr. MACK. That property is of a varied type—industrial equipment, chemicals, some construction equipment, and so forth.

Then there is the surplus from all other agencies of the Government which is just an open end. I do not know what it will be, but it de-

depends upon curtailments in personnel, it depends upon their ordinary surpluses which even in normal times run fairly substantial, so I really think our estimate of \$75,000,000 to \$100,000,000 is very conservative.

Mr. LUDLOW. This estimate was really based on \$100,000,000 of property?

Mr. MACK. Yes.

Mr. LUDLOW. Now, do you get rid of this property by sale, or do you transfer it from one agency to another?

Mr. MACK. We are required first to dispose of it by transfer to other Federal agencies. As a matter of fact, my thought is that the requirements of the Federal agencies for surplus will be less, and from now on it is going to be a proposition of selling to the States, counties, or city organizations, and to the public.

Mr. LUDLOW. That being the case, do you anticipate a sufficient demand to absorb this volume?

Mr. MACK. Insofar as surpluses for this year are concerned, we do not feel that there is any problem with respect to volume. As a matter of fact, the feeling is the other way, that this material and equipment being declared surplus is urgently needed for war purposes. I would like to give some illustrations of what we are doing with the surpluses thus far. As an illustration of the \$8,000,000 transferred, thus far \$5,000,000 has actually gone to the military services.

Mr. LUDLOW. Do you mean that the military services take second-hand equipment from some other agencies?

Mr. MACK. Yes; because it is the kind of equipment they have trouble in getting. We have transferred to the military services supplies, material, and equipment valued at approximately \$5,000,000. The War Department took about \$3,000,000 of this, which includes office equipment, desks, chairs, tables, adding machines, calculators, office machines, sewing machines—I think those went to the air depots—hand tools, surveying equipment, and related items, heavy construction equipment, motortrucks, compressors, and so forth.

There are about 1,200 transfers to the Navy Department valued at about \$2,000,000. The items were similar to those for the War Department. There are 200 transactions to the Maritime Commission throughout the United States, with similar items.

Here are just a few spot illustrations. The Fort Wayne ordnance depot, construction equipment. Omaha, Nebr., sewing machines for the service command. Billing supplies to the Army air base, Fort George Wright. Then photographic and office equipment, and so forth, Pauline, Kans. Camera and photographic equipment to the navy air stations at Oakland. Trucks, tractors, and trailers to the Maritime Commission in Oakland. Those are some of the items.

DISPOSITION OF FUNDS WHEN MATERIAL IS TRANSFERRED FROM ONE GOVERNMENT AGENCY TO ANOTHER

Mr. LUDLOW. When this surplus material is transferred to another Government agency, is a charge made against the appropriation for that agency and a return of the amount made to the Treasury?

Mr. MACK. There is a charge made against the agency to which the property is transferred, and that will be deposited in "Miscellaneous receipts," and prior to the Executive order the transfers were without funds.

DISPOSITION OF FUNDS WHEN MATERIAL IS SOLD TO OTHER THAN GOVERNMENT AGENCIES

Mr. LUDLOW. When surplus material is sold other than to Government agencies, how is it sold—open market or auction or by bid, and what becomes of the proceeds?

Mr. MACK. Thus far we have been handling those sales in three fashions: First, any so-called controlled items, controlled by the W. P. B. because of their scarcity or critical nature, they are sold through negotiation and we coordinate with the War Production Board.

Other items that are not of the same character are sold through the normal competitive procedure. We have not used the auction method yet.

Mr. LUDLOW. How much has been sold to other than Government agencies?

Mr. MACK. Very little; less than \$300,000.

DETERMINATION OF VALUE OF SURPLUS PROPERTY

Mr. LUDLOW. How is the value of the material determined both for transfer to other agencies and for sale?

Mr. MACK. We have appraisers who appraise the property on the basis of present condition with relation to the original cost.

Mr. LUDLOW. Who are those appraisers?

Mr. MACK. Our own employees.

Mr. LUDLOW. Of the Procurement Division?

Mr. MACK. Yes; in our field offices. I would like to point out what we are trying to do is to handle the property in the field right where the property is located.

Mr. LUDLOW. Otherwise you might have a pretty big freight bill.

Mr. MACK. That is right.

DETAIL OF ESTIMATE

Mr. LUDLOW. Now, gentlemen, would you care to go into the breakdown of this \$4,500,000?

Mr. TABER. We have got to do that a little, I would think.

Mr. LUDLOW. We will insert schedule 3 in the record at this point.

SCHEDULE 3.—Summary of estimates, fiscal year 1944

Region No. and location	Total estimate	01 Personal services (including overtime)	All other objects	02 Travel	03 Transportation of things	04 Communication	05 Rents and utilities	06 Printing and binding	07 Other contractual services	08 Supplies and materials	09 Equipment
Central office	\$229,666	\$187,266	\$42,400	\$12,500		\$10,400	\$24,400	\$12,400	\$500	\$3,000	\$4,000
(1) Boston, Mass.	250,789	150,289	100,400	10,000	55,000	5,100	\$24,400		31,350	11,800	8,750
(2) New York, N. Y.	682,579	429,029	253,550	18,000	22,500	11,800	\$85,100		35,050	40,600	40,500
(3) Washington, D. C.	324,688	210,538	114,150	6,000	7,500	2,200			45,900	13,800	10,750
(4) Cincinnati, Ohio	310,595	195,945	114,650	18,000	10,000	17,000	20,300		31,950	14,900	12,500
(5) Chicago, Ill.	703,577	443,427	260,150	19,000	22,500	11,600	81,900		41,350	41,600	42,250
(6) Atlanta, Ga.	453,027	258,827	193,200	24,000	17,500	10,500	28,900		4,700	20,600	16,000
(7) Fort Worth, Tex.	359,118	250,968	108,150	14,500	7,500	5,200	24,700		30,000	13,500	13,250
(8) Kansas City, Mo.	282,433	176,283	108,550	10,500	7,500	3,200	24,700		37,200	12,800	8,750
(9) Denver, Colo.	212,295	137,455	74,800	7,000	3,000	4,200	24,700		34,200	9,700	7,000
(10) San Francisco, Calif.	372,294	220,194	140,000	10,000	10,000	5,800	22,400		41,500	21,900	28,500
(11) Seattle, Wash.	229,841	155,241	74,600	9,500	5,000	4,000	6,200		31,350	10,800	7,750
W. P. A. warehouses	221,200	179,000	42,200	1,300		2,000	85,700				
Total	4,634,602	3,034,602									
Delay in filling positions	134,602	134,602									
Grand total	4,500,000	2,900,000	1,600,000	100,000	120,000	88,000	370,000	12,000	435,000	215,000	200,000

NUMBER AND DISTRIBUTION OF PERSONNEL

Mr. LUDLOW. I note that your amount for personnel services is \$2,900,000 in schedule C, and schedule C will go into the record at this point.

SCHEDULE C.—*Summary of positions, fiscal year 1944*

Region No.	Location	1943		Increase		1944	
		Number of posi- tions	Annual salary	Number of posi- tions	Annual salary	Number of posi- tions	Annual salary
3	DEPARTMENTAL						
	Washington, D. C. (central office)	69	\$148, 140	5	\$9, 220	74	\$157, 360
	Washington, D. C.	82	142, 100	37	55, 640	119	197, 740
	Total departmental	151	290, 240	42	64, 860	193	355, 100
	FIELD						
1	Boston, Mass.	41	86, 260	26	38, 240	67	124, 500
2	New York, N. Y.	138	243, 160	67	110, 620	205	353, 780
4	Cincinnati, Ohio	45	97, 140	44	64, 820	89	161, 960
5	Chicago, Ill.	191	338, 100	17	27, 040	208	365, 140
6	Atlanta, Ga.	66	139, 240	47	75, 340	113	214, 580
7	Fort Worth, Tex.	49	106, 240	64	101, 140	113	207, 380
8	Kansas City, Mo.	37	76, 940	42	69, 080	79	146, 020
9	Denver, Colo.	22	48, 120	36	66, 020	58	114, 140
10	San Francisco, Calif.	39	84, 140	66	106, 020	105	190, 160
11	Seattle, Wash.	22	49, 960	46	78, 700	68	128, 660
	Total field	650	1, 269, 300	455	737, 020	1, 105	2, 006, 320
	Total personal service	801	1, 559, 540	497	801, 880	1, 298	2, 361, 420
	Deduct delay in filling new positions		1, 230, 303				134, 602
	Net permanent		329, 237				2, 226, 818
	Temporary employees						179, 000
	Cost of overtime		62, 935				494, 182
	01 Personal services (net)		392, 172				2, 900, 000

Mr. LUDLOW. I notice that the present force is 801 and the increase asked is 497 at a total annual salary cost of \$801,880 and a net cost, allowing for delays in filling these positions, of \$667,278. These new positions are distributed 42 in Washington and 455 in the various field offices. Why are those new positions needed, Mr. Mack?

Mr. MACK. During this fiscal year, the program of sales to the public is going to be greatly accelerated. Up to this point we have been doing primarily transfers.

Mr. TABER. What are you going to do, send out a lot of traveling salesmen?

Mr. MACK. We are going to handle this through the regional offices. This is a merchandising job and it calls for a field organization that can handle the property where it is located so that our people will be in close touch with the representatives of Federal agencies declaring property or those who have a need for it, likewise through a decentralized operation the widest distribution for sale is possible and according to our plan appraisers will physically inspect the property and we will be in a position to prepare property for sale. It is essentially a merchandising job.

Mr. TABER. You have got 650 employees for 1943. How many have you now?

Mr. MACK. Eight hundred and one.

Mr. TABER. Eight hundred and one now?

Mr. MACK. Yes.

Mr. TABER. You actually have them now?

Mr. MACK. Yes.

Mr. REHLAENDER. They will be on the rolls by the end of June 30 of this fiscal year.

Mr. TABER. How many have you actually on the rolls now? I mean all of them.

Mr. REHLAENDER. Yes, Mr. Taber; except in one or two of the districts. The appointments have not been consummated and the people have not reported to work, but the positions have been authorized and the papers have gone through Civil Service. By June 30 all of these people will be in a working status.

Mr. TABER. That is an awful lot of help. Why on earth do you need more to handle a larger volume of stuff?

Mr. MACK. Of the 801 that we have, Mr. Taber, there are 156 that are custodial employees—laborers and the like of that. They are needed to do the job properly.

Mr. TABER. They handle the stuff and load it and that kind of business, and unload from the cars as the stuff comes in. You do not want a force of 41 in one place and 138 in another and 191 in another. That is a pretty big force.

Mr. MACK. This additional help that is asked for is made up of 299 employees in clerical grades, and 197 in the custodial grades.

Mr. LUDLOW. I notice that the average pay is very small compared with the Government's positions generally, about \$1,600.

Mr. MACK. I should think that it would run about that.

Mr. TABER. I think that it is about \$1,900.

Mr. LUDLOW. I am speaking of the additional people.

Mr. TABER. The additional, but those we have already got—it is about \$1,950, and your total runs pretty close to \$1,900.

Mr. REHLAENDER. That does not include the overtime, Mr. Taber.

Mr. LUDLOW. These are civil-service employees?

Mr. MACK. Yes.

Mr. LUDLOW. The most numerous group of them belongs in what classification?

Mr. MACK. Well, the largest numbers would be in the CAF 2's, 3's, and CPC 2's, low-grade clerical and custodial help. We feel this way about it. Today, supplies, materials, and equipment, when they are required for the war effort, and many of these items are required for the war effort, should be made available as promptly as possible, and we ought to be in a position to transfer such material promptly. Now, if we do not have sufficient personnel, then we are not able to segregate the supplies, equipment, and materials, and to properly appraise it and evaluate it. As a consequence, we will be forced into a position of selling property by sizable lots just to move it, and that certainly is not in the interest of the Government from the standpoint of dollars and cents because there is a substantial return thus far—well, the return according to the table I gave you is about 4½ percent, and there is a good return to the Government from proper handling of surplus property and also it is property that is needed and should be put to use right away.

TEMPORARY EMPLOYEES

Mr. LUDLOW. You have set up \$179,000 for temporary employees. How many W. P. A. warehouses and other temporary warehouses do you expect to take over, and how long will they be operated?

Mr. MACK. We will take over about 51 W. P. A. warehouses as of June 30, and that \$179,000 will be spent in this way:

In July we will spend \$78,000 for 432 employees.

We will spend in August \$63,000 for 363 employees.

In September, \$38,000 for 222 employees.

Then we will close it out. It will be closed out in 90 days.

Mr. LUDLOW. Are these temporary men in the W. P. A. warehouses?

Mr. MACK. As of July 1, the W. P. A.'s activities, as I understand it, will be curtailed at that point, and these are the employees at the warehouses where the property is located, and our plan is to keep them on there until we can move the property and clean up the warehouses, terminate the leases and get them off the rolls, and that will be within 90 days.

PAYMENT OF OVERTIME

Mr. LUDLOW. You have set up \$494,182 for payment of war overtime. Why was that included when all other agencies are operating on a deficiency basis so that a better estimate could be made of their overtime? Why could you not do the same? The universal practice is to defer that until they can make a better estimate. I wonder why you cannot do the same.

Mr. REHLAENDER. It was included in our estimate, in order to present the total obligations for personal services that would be expected during the fiscal year 1944.

TRAVEL EXPENSE

Mr. LUDLOW. Now, you have an amount here for \$160,000 for travel. Is that not a pretty high estimate for travel? How many are in that travel status, and on what estimate is that travel predicated?

Mr. MACK. That is for 78 employees and 1,546 days of travel, and the type of employee is the field property officers, their assistants and appraisers.

Mr. LUDLOW. When you figure that out per capita, you find that it is about \$2,000 a person. Is that not a pretty high figure for travel on a per capita basis, \$2,000?

Mr. MACK. Well, we constantly have the situation that when property is declared surplus it may be in some out-of-the-way place, and it means that someone has to go there and look over the property and appraise it and determine what to do with it and how to handle it. Thus far we have found there is need for considerable travel because we try to dispose of the property with as little transportation cost as possible.

Mr. LUDLOW. You try to sell it in the localities where it is located?

Mr. MACK. As far as we can.

TRANSPORTATION OF THINGS

Mr. LUDLOW. Your estimate for transportation of things, freight, is estimated at \$120,000. How did you arrive at that figure?

Mr. MACK. That is predicated on a poundage basis.

Mr. LUDLOW. You have estimated a poundage of 24,000,000. How do you arrive at the estimate of your poundage?

Mr. MACK. In preparing this budget we talked to the men in the field, or obtained information from them as to what their best estimate would be of the expense for transportation. It was on that basis. It is estimated. We have had no experience to rely on sufficient to give us actual figures.

Mr. LUDLOW. Your rate is set up here at 50 cents per hundred-weight.

Mr. MACK. It is again an estimate. It was based on the thought that the average haul would be about 150 miles and that shipment would be made in carload lots l. c. l. and motortruck.

COMMUNICATION EXPENSE

Mr. LUDLOW. You have communication at \$88,000. That includes \$37,600 for long-distance telephone calls. Can you clarify that a bit and tell us something about that.

Mr. MACK. We have had this experience: When we have property declared to us that somebody needs right away, they want it taken care of immediately, they want the property moved, we have had to use the telephone a good bit for that reason. We try to avoid it, of course, wherever we can, because the telephone should not be used where there is no need for it.

Mr. LUDLOW. There is a total of \$63,200 for all telephone calls.

Mr. MACK. Yes.

Mr. LUDLOW. What sort of restrictions do you place on the use of long-distance telephone calls?

Mr. MACK. We have told the regional officers we do not want them to use long-distance or incur telephone expense if it can be avoided.

Mr. RABAUT. Is any one particular person responsible for giving permission for the use of the long-distance telephone in each office? Somebody ought to be responsible for the use of the long-distance telephone. That is the only way to stop the use of it. That situation has been improved recently.

Mr. LUDLOW. In the schedule H, in making up your estimates for long-distance telephones, you have certain estimates for the long-distance telephone service in each of your regional offices. Is that for estimating purposes, or is that a definite allocation?

Mr. MACK. Of course, at this point it is the best estimate we could determine.

Mr. LUDLOW. Would the regional manager in each one of those offices be restricted to that amount in the use of the telephone?

Mr. MACK. Yes; an allocation of funds would be made to the regional office with a limitation on the type of expenditure, and he would be required to keep within those allocations.

Mr. LUDLOW. Would those allocations be made as shown in this estimate, if this appropriation is allowed?

Mr. MACK. It would be for short periods.

Mr. LUDLOW. That would mean that would be the total amount?

Mr. REHLAENDER. We will make a definite allotment to New York or Boston including an amount for communication.

It must remain flexible so we can change between offices as the program requires.

Mr. LUDLOW. I was wondering about that because you have set up for Boston only \$1,800, while for Chicago the amount is \$4,800, and for Atlanta the amount is \$4,800.

Mr. REHLAENDER. That is according to the volume of property that the agencies have handled.

RENTS AND UTILITIES

Mr. LUDLOW. Let us turn now to schedule I, for rents and utilities, for which the amount is \$370,000. How much of that is for rent of offices, how much for warehouses, and how much for utilities?

Mr. REHLAENDER. The annual rental for all space is \$334,500. The amount for utilities is \$35,500.

Mr. LUDLOW. You have quite a wide variation in the square footage cost. In Denver, for instance, it is 20 cents, while in Seattle it is \$1.20. Why is that?

Mr. MACK. So far as the higher price is concerned, that is for office space.

PRINTING AND BINDING

Mr. LUDLOW. Your printing and binding allocation is \$12,000. That is in schedule J.

Will you tell us something about that?

Mr. MACK. That is for the purposes detailed in schedule J.

OTHER CONTRACTUAL SERVICES

Mr. LUDLOW. For other contractual services, in schedule K, the amount is \$435,000. I will read into the record the principal elements of this estimate. It includes \$319,500 for recapping tires and \$96,000 for packing and crating. Those are the principal items. Then there is \$4,000 for repairs to office equipment, \$8,400 for repairs to trucks, and \$7,100 for repairs to shop and warehouse equipment. That is the estimate for contractual services.

Mr. MACK. Yes, sir.

Mr. LUDLOW. What about the figure of \$7.50 per tire for recapping tires? Is that figure the average of your experience?

Mr. MACK. The recapping of a standard tire runs just about that figure, and we get a certain proportion of larger tires. I think the \$7.50 was an average, considering what the total would be.

Mr. LUDLOW. How do you arrive at the estimate of 42,600 tires to be recapped?

Mr. MACK. That is on the basis of the total number of tires that were declared to us by Federal agencies, of tires in excess of five per vehicle. Those were the number of tires declared to the Procurement Division as the result of an order of the Bureau of the Budget.

Mr. LUDLOW. Has not the cost of recapping tires been reduced somewhat lately?

Mr. MACK. Yes, it has been; but that is the net cost, less the discount. The amount for the standard tires is running less than \$7.50. But we are also getting some of the larger size tires that run to fairly expensive items. Some of these large tires run as much as \$12, \$14, \$16. This figure is the average.

Mr. LUDLOW. In the light of the recent trend of the cost of recapping tires, would not this item stand some reduction?

Mr. MACK. I do not believe so.

SUPPLIES AND MATERIALS

Mr. LUDLOW. For supplies and materials, in schedule L, the amount is \$215,000.

The first item is for office and duplicating supplies, for which the amount is \$35,000.

Will you give us some detailed information about that? What supplies will you purchase?

Mr. MACK. Those are supplies of various types, such as office supplies, duplicating supplies, and so forth.

Mr. LUDLOW. Do you mean machines of different kinds?

Mr. MACK. These are supplies, not equipment. They include supplies such as paper and similar items.

Mr. LUDLOW. If it involves the purchase of machinery you would have difficulty in getting that.

Mr. MACK. We have listed certain equipment, and we are looking to surplus property for that.

WAREHOUSE SUPPLIES

Mr. LUDLOW. For warehouse supplies the amount is \$84,000. What do they consist of? How many warehouses do you intend to furnish with supplies?

Mr. MACK. There would be a warehouse in each of the regions and certain subwarehouses, depending on the accumulation or volume of material and property in other locations, and we will have to work out arrangements with Government agencies that have warehouse space in which to assemble property for disposition.

Mr. LUDLOW. That is a little indefinite. On what is that based?

Mr. MACK. You are asking about the item of \$84,000 for warehouse supplies?

Mr. LUDLOW. Yes.

Mr. MACK. That includes the purchase of lumber, nails, strapping, wire, and paper for the handling of property, and so forth.

TRUCK-OPERATING EXPENSES

Mr. LUDLOW. The next item is for truck-operating expenses, for which the amount is \$30,000. How many trucks do you expect to operate?

Mr. MACK. There will be 135, including 85 trucks that the W. P. A. will turn over to us. That is only until they liquidate the 51 W. P. A. warehouses. Then the number of trucks to be operated will be about 50.

PACKING AND CRATING MATERIAL

Mr. LUDLOW. For packing and crating material, the amount is \$40,000. How did you arrive at that figure?

Mr. MACK. That is an estimate taking into consideration that there will be more sold to the public rather than transferred to the agencies, and perhaps in smaller lots. That covers the usual types of supplies for packing and crating.

REHABILITATION SHOP SUPPLIES

Mr. LUDLOW. For the rehabilitation of shop supplies the amount is \$26,000. How many such shops are there?

Mr. MACK. There are three, one each in New York, Chicago, and San Francisco.

Mr. LUDLOW. To what extent will they be rehabilitated?

Mr. MACK. These shops will be woodworking shops for the repair of desks and wood furniture, and similar items.

Mr. LUDLOW. What kinds of equipment will it be required to rehabilitate?

Mr. REHLAENDER. This will be a furniture repair shop, as Mr. Mack has said, used for furniture, and it requires such items as lumber, paint, stains, nails, screws, mops, and so forth, all incident to the renovation of the property itself.

Mr. LUDLOW. I am reminded that the N. Y. A. has a good deal of this equipment.

EQUIPMENT

The next item, in schedule M, is for exuipment, for which the estimate is \$200,000.

The first item is for miscellaneous office equipment, for which the amount is \$78,000. What does that consist of?

Mr. MACK. Those are desks, typewriters, chairs, file sections, card files, tables, and similar items for the use of administrative and clerical personnel.

Mr. LUDLOW. Do you have a procurement schedule off of which you take these?

Mr. MACK. We are going to use surplus property for as many of these items as possible.

Mr. LUDLOW. Second-hand equipment?

Mr. MACK. Yes, sir.

Mr. LUDLOW. So it will not be new?

Mr. MACK. No. I think we will get practically all of this from the surplus list.

Mr. LUDLOW. Is this miscellaneous equipment solely because of the new personnel of 497?

Mr. MACK. For the most part, and it is also for some of the other personnel now on the rolls.

Mr. LUDLOW. About how much personnel altogether would be covered? Is it based on a per capita estimate?

Mr. MACK. Yes, sir; it is.

Mr. LUDLOW. What is the per capita estimate?

Mr. MACK. About \$82 per person.

Mr. LUDLOW. Is it the Government basis of estimating employee equipment? There is a standard Government basis for estimating employee equipment, but I assume that relates to new equipment?

Mr. MACK. Yes; it does.

Mr. LUDLOW. This is second-hand equipment, so the Government basis would hardly apply.

Mr. MACK. That is right. This runs about \$35 less than the estimate for new equipment.

DUPLICATING EQUIPMENT

Mr. LUDLOW. You have an estimate of \$6,500 for duplicating equipment. Is that to be used in Washington or in the field?

Mr. MACK. That is largely for the field offices. That also will be surplus equipment.

Mr. LUDLOW. Could not some of this service be procured from the Central Administration Services Division, which has field offices and equipment of this nature?

Mr. MACK. I do not think so, because we need to get these lists out promptly. It would mean that our material would be put in line along with other work which might hold up transferring something urgently needed.

EQUIPMENT FOR FURNITURE REPAIR SHOP

Mr. LUDLOW. The next item is for equipment for the furniture repair shop, for which the estimate is \$48,000. Where is this shop located?

Mr. MACK. There are three shops proposed in New York, Chicago, and San Francisco. The amount for New York is \$18,000; for Chicago, \$16,000; and for San Francisco, \$14,000.

This shop will be equipped with various kinds of woodworking equipment.

Mr. LUDLOW. There are a great many businesses all over the country about to fold up because they cannot get anything to do. Would it not be good business to give them this work and the Government not undertake to do it?

Mr. MACK. We have asked for shops only in three places. We did not ask for them in other places because we felt we ought to look to commercial firms to do the work so far as possible. We thought that in New York, Chicago, and San Francisco, where there are fairly substantial quantities of repair work now being handled, and probably will be more, there will be certain work that should be turned out quickly. Even so, with these shops we will probably have to look to commercial channels, too.

Mr. LUDLOW. Will you give us an idea of the personnel set-up in each of these shops?

Mr. MACK. At New York, in the furniture repair shop, there is a foreman, 3 painters, 4 carpenters, and 3 junior laborers. That is a total of 11 people in that shop.

Mr. LUDLOW. The others have about the same personnel?

Mr. MACK. The others are about the same. There will be work that will have to go to commercial concerns.

Mr. LUDLOW. These are minor repairs?

Mr. MACK. Yes.

Mr. REHLANDER. There are seven employees in Chicago and five in San Francisco.

PURCHASE OF TRUCKS

Mr. LUDLOW. You have set up \$37,500 for trucks. Will those be new trucks?

Mr. MACK. Those are again surplus trucks.

Mr. LUDLOW. How many are estimated for?

Mr. MACK. About 50 trucks.

Mr. LUDLOW. Where are they to be used?

Mr. MACK. In the various regions. There will be 3 for Boston, 6 for New York, 3 for Washington, 4 for Cincinnati, 11 for Chicago, 6 for Atlanta, 5 for Fort Worth, 3 for Kansas City, 2 for Denver, 4 for San Francisco, and 3 for Seattle.

Mr. LUDLOW. Do you think all of those trucks are needed?

Mr. MACK. Yes; I think so.

Mr. LUDLOW. In the purchase of this equipment and supplies, are you buying from your own surplus stocks, or is most of this to be new equipment?

Mr. MACK. We are buying from our surplus stocks.

Mr. LUDLOW. Is there anything else you desire to submit to the committee?

Mr. MACK. I think this is a job that should have been done a long time ago, and I am glad it is getting under way, I think we can turn in some money.

Mr. LUDLOW. When all of these war agencies fold up and go out of existence, you will have a vast amount of additional equipment to handle, that is particularly office equipment.

Mr. MACK. Yes, sir.

Mr. LUDLOW. And that will be handled in a similar way.

Mr. MACK. Yes, sir; we are giving a lot of thought to that now, because there are substantial considerations involved as to how it shall be handled in order to avoid upsetting the national economy.

The kind of a job that we will be able to do in the disposition of surpluses and the revenue from the sale of surpluses to be deposited in miscellaneous receipts, Treasury Department, will be limited to the size of the organization that you will authorize. We feel that we are asking for an organization that is barely adequate to do the indicated job and that the net return to the Treasury for each dollar expended will be many times the appropriation which we have requested.

MONDAY, JUNE 21, 1943.

FEDERAL WORKS AGENCY

WORK RELIEF PROGRAM, PUERTO RICO AND THE VIRGIN ISLANDS

STATEMENT OF MAJ. GEN. PHILIP B. FLEMING, ADMINISTRATOR, ACCOMPANIED BY GEORGE H. FIELD, DEPUTY COMMISSIONER, WORK PROJECTS ADMINISTRATION; ACCOMPANIED BY WALTER H. DUNCAN, DIRECTOR, DIVISION OF MANAGEMENT, WORK PROJECTS ADMINISTRATION; D. E. A. CAMERON, BUDGET OFFICER, FEDERAL WORKS AGENCY; AND E. E. HALL, EXECUTIVE OFFICER, FEDERAL WORKS AGENCY

CONTINUATION OF WORK RELIEF PROGRAM

The CHAIRMAN. General Fleming, we have an estimate for \$8,000,000, submitted in House Document 238, for the continuation of work relief in Puerto Rico and the Virgin Islands for 5 months, from July 1 to November 30, 1943.

By way of review, House Joint Resolution 128 passed the House on May 27 and passed the Senate on June 15, authorizing \$8,000,000—to provide work for employable needy persons on useful projects in Puerto Rico and the Virgin Islands, July 1 to November 30, 1943, in accordance with the appropriate provisions of the Emergency Relief Appropriation Act, 1943, which provisions are extended and made applicable to the \$8,000,000.

This action was taken by the Committee on Insular Affairs as a temporary measure to give that committee time to work out a more definite and permanent program.

A subcommittee of the Committee on Insular Affairs has just returned from its trip of inspection to Puerto Rico.

General FLEMING. I have been informed that Mr. Bell is chairman of that subcommittee and they have returned.

The CHAIRMAN. As I understand it, a W. P. A. program is now being carried on in Puerto Rico and in the Virgin Islands, and unless it is continued until a suitable permanent program can be substituted there will be widespread suffering in those islands on the part of a very large percentage of the population.

Will you give us a general statement as to the situation down there General Fleming, and the justification for this appropriation?

General FLEMING. When I went before the President last November and suggested the liquidation of the W. P. A. I told him at that time I did not think we could stop entirely any program of that sort in Puerto Rico and the Virgin Islands, and he agreed that something would have to be done.

So we began to make plans, and then in February a Senate subcommittee was appointed, headed by Senator Chavez, to study the situation and see if something more permanent than a W. P. A. job program could not be done. They went to Puerto Rico and the Virgin Islands.

They came back and made a report, and a work-program bill was passed by the Senate as bill S. 981 for Puerto Rico and the Virgin Islands which was referred then to the Committee on Insular Affairs in the House. That committee already had an authorization of funds to provide for the sending of a subcommittee down there to make

an investigation; they had not made their investigation at that time and they did not feel that they wanted to consider a bill for a general work program for Puerto Rico until they had made their study and their investigation and had submitted their report.

In lieu of that they reported out House Joint Resolution 128 as a stopgap measure only to take care of conditions in Puerto Rico until they had had time to make their investigation and have some hearings and get some data of their own. That resolution passed the House and passed the Senate, and the Budget informs me that it is before the President now for signature.

This simply carries on the W. P. A. program as it exists today in Puerto Rico.

We found that unemployment, instead of decreasing in Puerto Rico, as it was in the United States, was on the increase. In the beginning of the fiscal year we had about 18,000 people employed down there, and as the Army and the Navy curtailed their construction projects on the island we had to take up some of that slack, to take care of that increase, and we had at one time, I think, about 45,000. Then we cut it back to 41,000, and 41,000 is the number of people we are employing down there at the present time.

This appropriation would permit us to carry on the program for 5 months simply as it exists today, and the House Committee on Insular Affairs felt that in the meantime they would be able to come out with a bill which would take care of the situation from November 30 on.

The unemployment situation is very bad in Puerto Rico. Not only is the Army and Navy work ending but the shipments, as you well know, have been curtailed down there. They have not received the fertilizer they used to get, so they are not planting as much sugar and tobacco as before, and there will be a reduction of employment in those fields. Also, merchandise is not going to the island as it used to go.

The submarine menace was pretty bad. Conditions have improved some, but many small shops were unable to obtain merchandise which they previously had been able to get, so their people were very much out of employment. So unemployment is on the increase rather than decreasing.

The CHAIRMAN. You are of the opinion that the Government has some responsibility for this condition, due to war conditions?

General FLEMING. Yes.

The CHAIRMAN. And this disruption of economic and employment conditions is due, you think, to conditions which have arisen since Pearl Harbor, or since January 1, 1942?

General FLEMING. I think undoubtedly some of it has come about by reason of the war, although the war is not responsible for everything that is bad in Puerto Rico. It has been a problem for a long time.

UNEMPLOYMENT SITUATION

The CHAIRMAN. What is the solution of the problem down there?

General FLEMING. Various things have been suggested. One is birth control, which I do not think would ever work down there.

Another is migration of labor out of Puerto Rico. That has not seemed to work very well. Nobody seems to want them very much.

It seems to me that probably the final solution is the establishment of industries there, if that can be done.

The CHAIRMAN. As to the employment situation; how does the number of unemployed employables down there compare with the number at the present time on the pay rolls? In other words, how does the load compare with the relief you are giving?

Mr. FIELD. We estimate that there are about 250,000 unemployed people who are employable. Some of the local people have indicated that that was a low figure. We think that is as good an estimate as we can make.

We have at the present time working 41,000 people, and we have certified to us that are not working about 91,000, which gives you an idea as to about how many of the total unemployed we are now working.

So far as the increasing of employment is concerned, we think we should maintain a status quo until the House Committee on Insular Affairs have presented their report for something more permanent.

The CHAIRMAN. What do you plan to do? Is it the plan to hold the present number, or will you increase the number?

General FLEMING. Our idea is to hold it as at present.

The CHAIRMAN. To do what you can do to hold the line?

General FLEMING. That is right.

The CHAIRMAN. What will be the effect if the \$8,000,000 is not allowed?

General FLEMING. I think the Army testified before the Insular Affairs Committee that there would be a very bad morale effect if we had to discontinue the program.

The CHAIRMAN. You believe that even if the \$8,000,000 is provided you will still have a quarter of a million employable people unemployed.

General FLEMING. That is the figure we get from the islands.

The CHAIRMAN. What is the peak season for the cane crop, the tobacco crop, and other crops?

Mr. FIELD. The peak season, I think, is in June and July. We have recently had some requests for some of our workers to go to the sugarcane fields to cut sugarcane, and we have closed down projects and given them whatever help is available. They told us that work in the sugarcane fields will end in the middle of July, and that is why they have been pressing us to increase our employment, but we felt it was better to let it stand as it is.

The CHAIRMAN. That is an extraordinary situation with a quarter of a million people unemployed and who are employable, where you have to close down a project to take care of the sugarcane situation. Have you had this difficulty about some of your projects?

Mr. FIELD. The reason is that in the local communities is where they need people and the sugarcane industry would rather take those people than go a hundred or more miles away where there are large groups of unemployed around cities, and we have taken the attitude that we should give them the people that they want.

The CHAIRMAN. It is sporadic employment?

Mr. FIELD. It is very seasonable.

The CHAIRMAN. They are at the peak now with their flash labor demands?

Mr. FIELD. Yes.

The CHAIRMAN. That is in June and July. You are for the present discontinuing some projects. About how many workers are you releasing to go to work on these crops?

Mr. FIELD. The last information I had was that they had asked for 500 people, and we told them to close down and give them all the people they needed, and they took about 100 people.

The CHAIRMAN. One hundred people out of how many on these projects on your rolls?

Mr. FIELD. We have 41,000 people altogether unemployed.

The CHAIRMAN. So it has no appreciable effect?

Mr. FIELD. No; I am telling you this, because that is the way the thing has been operating.

The CHAIRMAN. We have received information that this W. P. A. project down there is interfering with the cultivation of tobacco and cane, that you are taking that labor which they have been accustomed to use in the tobacco and cane fields, and that as a result they are unable to plant as much cane and tobacco as they have heretofore and are unable to cultivate it after it is planted because you are taking the labor away on W. P. A. projects. What have you to say about that?

Mr. FIELD. This is the first time that complaint has come to us. We have not had it directly from Puerto Rico, that I know. We would like to have these people to be employed in private industry and be able to close down these projects.

Last October the big problem in the island was getting food. They could not get enough in on account of the shipping situation, so we agreed that they should have some garden projects to enable them to raise enough products to keep the children in the school lunches properly fed. We are now feeding about 160,000 school children per day.

SOURCE AND NATURE OF FOOD SUPPLY

The CHAIRMAN. From what funds are you drawing the money to feed 160,000 children?

Mr. FIELD. From the W. P. A. appropriation. The food comes there from the Department of Agriculture Food Distribution Administration, and that is provided from local purchases by sponsors' money. About 25 percent of the food given to these children comes from the gardens that are operated.

The CHAIRMAN. The 75 percent that does not come from the gardens consists mainly of what?

Mr. FIELD. That consists of dried milk and canned goods.

The statement which we have presented gives the details on the operations of this project.

The CHAIRMAN. In other words, you are drawing from food supplies in the continental United States that are already depleted, and on which our own population is rationed?

Mr. FIELD. The food that comes from the Federal Department of Agriculture is commodity-distribution food. That is brought in by the Department of Agriculture, and that has been under way for the last 2 or 3 years.

The CHAIRMAN. From what fund is the Department of Agriculture paid?

Mr. FIELD. I think that has come out of their surplus commodity program. That has gradually been coming down. That included dried milk, dried eggs, and cereals.

The CHAIRMAN. The section 32 money is for the purchase of surplus commodities?

Mr. FIELD. Yes, sir.

The CHAIRMAN. There are no longer any surplus commodities in the United States, are there?

Mr. FIELD. No; and as a result that part of the commodities will not be available unless some other provision is made, and they will have to go into direct purchases.

The department of education in Puerto Rico are the sponsors of this project for school lunches, and they supplied and purchased locally meat and fresh eggs.

The CHAIRMAN. How long has the United States Government been supporting this lunch program down there?

Mr. FIELD. The W. P. A. program started in Puerto Rico late in 1939. Prior to that time, I think under the Puerto Rico Reconstruction Administration, they had some commodity distribution. I am not very familiar with it.

The CHAIRMAN. You are feeding 160,000 children now. How many were you feeding in 1939, 1940, and 1941?

Mr. FIELD. Very few. We stepped up the school-lunch program from about 90,000 last October to 160,000.

The CHAIRMAN. What conditions make it necessary to increase this program?

Mr. FIELD. The reason we have increased that program is because we think that is most important to keep the children properly fed. Because of the lack of shipping most of the food that the people have been eating such as rice and salt cod fish cannot be shipped into the island. When the shipping closed down they could not get that food, and there was need for developing other food. So, under this program, we have been working with the local agencies and we have been teaching the people to grow their own vegetables and to become really more self-sustaining. Some of these things were things which they never grew there before. We hope that by gradually building up the children on the island, in that way the whole economic situation can be improved.

CURTAILMENT OF SUGAR AND TOBACCO PRODUCTION DUE TO LACK OF LABOR

The CHAIRMAN. The sugar, coffee, and tobacco industries then have only had room for 100 laborers or employees?

Mr. FIELD. That is the last information I have had.

The CHAIRMAN. When did you issue this order that they should have any number that they needed?

Mr. FIELD. We have had that in effect for over a year.

In the language of the W. P. A. Act there is a requirement that if a man is offered any job at the going wage for that particular job and does not take the job he would automatically be dropped. It came to our attention about 3 or 4 weeks ago that there was a request of the sugar people for more employees.

The CHAIRMAN. It is not that employment on the W. P. A. is so attractive, or at such high wages with such short hours and agreeable conditions, that they would prefer to work for W. P. A. rather than on the sugar or tobacco plantations?

Mr. FIELD. Our present wages for unskilled workers—we have divided them into two groups—unskilled A and unskilled B. The unskilled A group are paid \$19.50 a month or 15 cents an hour. The unskilled B group are paid 20 cents an hour. The semiskilled group get 27 cents an hour, and the skilled group \$45.50 a month or 35 cents an hour.

We now also have a professional and technical grade at \$52, and on July 1 any of that group will be counted as skilled workers.

We have lower wages in the Virgin Islands. We pay unskilled workers there \$22.10 a month, or 17 cents an hour. We have not had any indication that these wages were preventing the people from going into other industries.

The CHAIRMAN. The thing is that regardless of whether you released anybody from W. P. A. or not, or whether anybody on W. P. A. refused to be released, there are still a quarter of a million people looking for jobs, and the suggestion that the production of sugar and tobacco is being curtailed because of lack of labor would hardly be logical.

Mr. FIELD. We have never felt that was the case. If it had been the case, we would have reduced our unemployment.

The CHAIRMAN. If you were certain that there were a quarter of a million unemployed employables down there, it could not affect the production of these crops?

Mr. FIELD. I do not see how it could.

General FLEMING. We would not let a man refuse employment. We would simply drop him off if he refused.

Mr. FIELD. We have had some personnel people of the sugarcane industry go out on our projects and pick individuals they wanted and they thought were better than some employees they had.

The CHAIRMAN. You have 41,000 on the W. P. A. Is that in addition to the 250,000?

Mr. FIELD. Those are included.

The CHAIRMAN. Then you actually have in addition to those on Federal projects which are in operation about 209,000 unemployed employables?

Mr. FIELD. Yes; and of that number 91,000 have been certified to us.

The CHAIRMAN. Under the provisions of the Emergency Relief Act of 1943 extended and made applicable to this appropriation, what is involved in that provision?

Mr. FIELD. The House Committee on Insular Affairs felt that so far as stopgap legislation is concerned it would be as easy to extend the provisions of the E. R. A. act.

The CHAIRMAN. What are those provisions?

Mr. FIELD. They include practically all the provisions except that there will not be a Commissioner of the W. P. A. and there will be no need for any funds in Treasury procurement under this appropriation. We have made arrangements with Procurement that we will do the procuring, and we have also made arrangements with the Treasury disbursing office that they will do the disbursing without any of these funds.

NATURE OF WORK PROJECTS ADMINISTRATION PROJECTS BEING
CARRIED ON

The CHAIRMAN. What is the nature of your projects down there?

Mr. FIELD. About 35 percent of the load are on the feeding program, which includes the school lunches.

Then also we have a large number of people working on our road program. Our road program includes mainly the widening of the insular roads and work on military roads which the Army wants improved.

Sixty-five percent of the people working on our projects are on projects certified by the Secretary of War and the Secretary of the Navy as being important for their purposes, and that includes not only road work but other types of construction work.

Two or three years ago we did build some large airports. Those have been completed, and the work we are doing now includes the widening of roads and the rebuilding of roads.

Then we also have some work on insular highways and access roads leading to military or naval reservations.

We also have a small number working on secondary roads for the small governmental units.

Then we have a malaria-control project which the Army wants us to expand. We are confining that pretty much to malaria control around Army camps. We also do a small amount of work on sanitation and water, and the only reason why that has not been expanded, is because of the shortage of critical materials. We are limited pretty much in that work on account of the amount of materials that are available, and our program has been pretty well built around that.

The CHAIRMAN. What proportion of these projects are construction projects and what proportion are service projects, such as school lunches?

I take it for granted that you have a tabulation showing those projects.

Mr. FIELD. Yes, sir; the table on page 29 and also on page 30 shows that.

The CHAIRMAN. We will put that table in the record, at this point.

(The table referred to is as follows:)

TABLE 6.—*Number and percent distribution of persons employed on Work Projects Administration projects and on Work Projects Administration certified war projects, by type of project, in Puerto Rico and the Virgin Islands, Apr. 20, 1943*

Type of project	Total Work Projects Administration employment		Employment on certified war projects		
	Number employed	Percent distribution	Number employed	Percent distribution	Percent of Work Projects Administration employment
All projects.....	39, 597	100. 0	25, 915	100. 0	65. 4
Division of Engineering and Construction.....	20, 778	52. 5	14, 391	55. 5	69. 3
Airport and airway.....	128	. 3	128	. 5	100. 0
Building.....	213	. 5	60	. 2	28. 2
Conservation.....					
Engineering survey.....					
Highway, road, and street.....	14, 830	37. 5	8, 806	34. 0	59. 4
Recreational facility.....	29	. 1			
Sanitation.....	662	1. 7	662	2. 5	100. 0
Water, sewer, and other utility.....	116	. 3			
Other.....	4, 800	12. 1	4, 735	18. 3	98. 6
Division of service projects.....	18, 354	46. 3	11, 521	44. 5	62. 8
War services.....	646	1. 6	177	. 7	27. 4
Health and welfare, total.....	17, 708	44. 7	11, 344	43. 8	64. 1
Health.....	1, 267	3. 2	1, 267	4. 9	100. 0
Feeding.....	15, 652	39. 5	10, 077	38. 9	64. 4
Child protection.....	489	1. 2			
Clothing.....	300	. 8			
Division of Training and Recemployment.....	3	(1)	3	(1)	100. 0
State Supply Section.....	462	1. 2			

¹ Less than one-half of 1 percent.

The CHAIRMAN. Under the E. R. A. Act, not to exceed 75 percent of non-Federal projects are at the expense of the United States, and not less than 25 percent are at the expense of the State, which would include Puerto Rico and the Virgin Islands.

Mr. FIELD. That provision will be maintained.

The CHAIRMAN. There are two exceptions to that, projects certified by the Secretary of War and the Secretary of the Navy as being important to military or naval purposes. Would that include highway construction?

Mr. FIELD. We have been getting 25 percent because we get money from the insular government as well as some assistance from the Army. Last fall when they requested us to increase our employment from 18,000 up to 40,000, the general and I insisted that they should raise some sponsors' money, and they have been providing more than 25 percent.

The CHAIRMAN. The other exception is for projects involving danger to life, property, and health in the event of disaster or grave emergency caused by war, flood, storm, fire, and so forth.

What is the importance of that exception?

Mr. FIELD. The importance of that is that the island is subject to hurricane storms at almost any time, and that is one of the things that has caused economic trouble in the island.

We have just recently used that authority. We approved \$30,000 of our funds to be used to take care of a flood causing damage to some

of the small towns. That is used when it becomes necessary, but in the last few years it has not been very serious.

The CHAIRMAN. What percentage of all of your projects are non-Federal projects?

Mr. FIELD. I think, offhand, that about 95 percent are all non-Federal. At one time we did have quite a few Federal projects, but we have been bringing that down. It is so small now that we consider all of them as non-Federal.

The CHAIRMAN. What proportion of the projects fall within these two exceptions, that is those that are certified by the departments as of military value, and those that relate to catastrophes?

Mr. FIELD. Our disaster project is such a small percentage that I could not give it to you offhand.

The CHAIRMAN. Then it would be a very small percentage, that is as to those falling within the exceptions.

Mr. FIELD. Yes, sir.

The CHAIRMAN. The E. R. A. Act provides for sponsors' contributions. How much is coming from the Treasury of Puerto Rico and other island sources, and how much of sponsors' contributions is furnished by the Army, the Navy, or the Marine Corps, or other Federal agencies?

Mr. FIELD. There again I think 95 percent comes from non-Federal sponsors. The insular government appropriated about \$12,000,000 to help sponsor these W. P. A. projects last fall.

The CHAIRMAN. What would be the total amount in cash coming from sponsors, and what percentage would that be of the total amount of the cost of the project?

Mr. FIELD. During the fiscal year 1943, from last July up to the time of our estimate, through June, the figures show 26 percent of sponsors' funds. Some of those funds are in the form of materials and some in the form of sponsors' own equipment. We have been gradually moving along toward a sponsors' contribution in actual cash, because we think that provides for better operation. The value of all of that now is about 26 percent.

The CHAIRMAN. How much of the 26 percent is from the Army, the Navy, and other Federal agencies?

Mr. FIELD. We cannot count the money coming from the Army and the Navy as a sponsor's contribution.

The CHAIRMAN. None of that is in the 26 percent?

Mr. FIELD. No, sir.

The CHAIRMAN. The Army and the Navy have been carrying on some very large construction jobs down there for bases, harbor dredging, and so forth, in connection with military and naval defenses. What is the status of these projects? Would you say these projects are about completed?

Mr. FIELD. The majority of the projects for the Army and the Navy are completed. The work they are interested in now is road work and malaria control, particularly malaria control, because last June about 10 percent of the soldiers got malaria, and now the Army wants us to concentrate on that type of work.

Of course, you can never control malaria in a short time. We are doing the best we can.

They have some work also they would like us to do on their own property, using unemployed people. Much of the work now being done is sewer work, work on small water lines, road work, and malaria control.

MALARIA INSPECTION AND CONTROL

The CHAIRMAN. What is the extent of malaria infection in those islands? I have heard that that is very high.

Mr. FIELD. They have more cases of malaria in a year there than in the whole continental United States.

The CHAIRMAN. What percentage of the population is affected?

Mr. FIELD. I could not tell you that, offhand. I know it is very high, and the number of TB cases is also high. Those two diseases do a lot of damage.

The CHAIRMAN. Is any progress being made in their control?

Mr. FIELD. Yes; I think they have made progress, and the war situation has brought it to their attention, more so, I think, right now, so that there is more real push to do something about the stamping out of malaria.

The CHAIRMAN. When these Government projects were in full swing, what was your maximum employment, and when you take up this malaria project, if it is taken up, what do you expect would be your maximum employment, when it reaches full operation?

Mr. FIELD. In 1941 and 1942 the Army and the Navy were probably at the very peak of their construction, and at that time W. P. A. was employing in Puerto Rico and the Virgin Islands about 30,000, and it went down to 19,000 last August. They started tapering off from that point, and then our employment jumped until we reached a peak in 1943 of 46,696. We have since brought that down to 41,000.

The CHAIRMAN. It is now about what?

Mr. FIELD. It is now a little under 41,000.

SCHEDULE OF LABOR EARNINGS

The CHAIRMAN. The E. R. A. provides that the Commissioner of W. P. A. shall establish an earning schedule which shall not be at rates higher than the current national average labor cost per person on W. P. A.

What kind of an earning schedule has been established in Puerto Rico and the Virgin Islands, and how do those rates compare with rates for private employment in Puerto Rico and the Virgin Islands?

Mr. FIELD. The rates that have been established are those which I gave you a while ago. The rate for unskilled labor in the A group is \$19.50 per month, and the rate for unskilled labor in group B is \$26, and for semiskilled it is \$35.50, and for skilled labor it is \$45.50.

The CHAIRMAN. We will include that table showing the rates of pay in the record.

(The table referred to is as follows:)

Monthly earnings schedule based on 130 hours per month

	Unskilled B	Unskilled A	Semi- skilled	Skilled
Puerto Rico	\$19.50	\$26.00	\$35.10	\$45.50
Virgin Islands.....	19.50	22.10	35.10	45.50

Mr. FIELD. After July 1 the authority under that part of the E. R. A. Act will revert to General Fleming, and thus the Federal Works Administrator will have to establish those schedules.

The CHAIRMAN. Can you also give us the private rates paid employees, showing the comparison?

Mr. FIELD. We can get that for you.

The CHAIRMAN. I wish you would do that, and give us a comparative statement.

Mr. FIELD. We will do that.

(The statement referred to is as follows:)

TABLE 1.—*Number and standard hourly earnings of Works Project Administration project wage employees in Puerto Rico, April 1943*

	Works Project Administration project wage employees		
	Number employed ¹	Percent distribu- tion	Hourly earnings, cents
Total.....	37,277	100.0	² 21.9
Unskilled B.....	3,498	9.4	15.0
Unskilled A.....	26,831	72.0	20.0
Intermediate.....	2,786	7.5	27.0
Skilled.....	2,874	7.7	35.0
Professional and technical.....	1,288	3.4	40.0

¹ Employment as of Apr. 20, 1943.

² Computed on the basis of the standard 130 hours of work during month.

TABLE 2.—*Number and hourly earnings of industrial and agricultural workers in Puerto Rico, 1941-42*

Industry	Number of workers	Percent distribu- tion	Hourly earnings, cents
Building trades.....	877	1.4	26.4
Liquor factories.....	1,335	2.1	26.7
Bakeries.....	617	1.0	25.4
Fruit canning.....	623	1.0	18.9
Sugarcane planting.....	12,435	19.2	19.2
Sugar factories.....	13,300	20.5	33.3
Sugar refineries.....	1,162	1.8	31.4
Needlework:			
Children's garments.....	838	1.3	21.6
Handkerchief and table linen.....	2,038	3.1	17.6
Men's shirts.....	544	.8	17.6
Men's suits.....	646	1.0	19.4
Women's underwear.....	650	1.0	20.8
Tobacco stripping.....	9,441	14.6	16.4
Transportation:			
Busses.....	1,010	1.6	25.9
Railroad.....	3,597	5.5	24.8
Wharves.....	5,017	7.7	58.9
All other industries.....	54,130	83.6	-----
All industries.....	64,766	100.0	25.1

Source: Forty-second Annual Report of the Governor of Puerto Rico, pp. 124-134; study based on 828 establishments inspected.

Comments: Industries with employment of at least 500 are listed in the table. It will be noted that the average hourly earnings for all establishments covered by the study was 25.1 cents during the fiscal year 1941-42. Because of the rising trend in the hourly earnings, it is reasonable to assume that these earnings were smaller in 1941-42 than in 1942-43. The standard hourly wage per W. P. A. project wage employee in Puerto Rico was only 21.9 cents in April 1943. (See table 1.) Workers in the unskilled categories representing 81.4 percent of total W. P. A. employment earned an average of 19.4 cents per hour.

TABLE 3.—Trend in hourly earnings of workers employed in private industry in Puerto Rico, 1933-43

Year	Average earnings per hour, cents	3-year moving average, cents	Year	Average earnings per hour, cents	3-year moving average, cents
1933-34	11.1		1938-39	19.3	18.6
1934-35	12.8	12.2	1939-40	20.9	20.9
1935-36	12.6	12.9	1940-41	22.6	22.9
1936-37	13.4	13.9	1941-42	25.1	25.2
1937-38	15.7	16.1	1942-43	¹ 28.0	

¹ Estimated.

Source: Annual Report of the Commissioner of Labor submitted to the Governor of Puerto Rico, 1940-41, p. 37 and table 2.

Mr. RABAUT. How much does the Army pay?

The CHAIRMAN. The Army pays the same rate as you pay?

Mr. FIELD. The rate for construction work by the private contractors has been 30 cents an hour for unskilled workers as compared with our rate of 20 cents. On some of the other work which the insular government do themselves they pay about the same wages we do, but most of the wages are higher than we have been paying.

The CHAIRMAN. I think the only criterion down there is what is paid to the unskilled labor—that is, what is paid on the island to unskilled labor which works on the tobacco and sugar plantations.

Mr. FIELD. I think that a minimum wage has recently been set at around 18 cents an hour.

I am not positive on that, and I will be very glad to check it.

General FLEMING. I think we can get that information and put it in the record.

The CHAIRMAN. If you will.

AVERAGE EMPLOYMENT AND LABOR COST

The CHAIRMAN. You have stated that if one of your employees received a bona fide offer of employment from a private source and he refused to accept it you would discharge him.

To what extent have you enforced that provision?

Mr. FIELD. Up until a few months ago we did not have many cases like that, but the table that we have here shows the turn-over of our labor and it will give you a pretty good idea of the way we enforce that situation.

The CHAIRMAN. The E. R. A. also provides a limitation——

Mr. FIELD. Table 4, on page 27 of the justification, shows the average employment per month.

For example, last December—that is, December 1942—we had average employment of 37,424 people, and we actually employed 45,482 different individuals.

In January of this year the average employment was 44,913 and there were actually 46,771 persons employed.

In April of this year the average employment was 40,656, while the actual number of different individuals employed was 45,438.

That gives you a pretty good idea of the movement in and out. I think that is the most important thing in that item.

Mr. TABER. Do you have the wage set at so much above the going wage in production work that they only have to work a few days on your project and that will carry them through?

Mr. FIELD. No; they have to work 130 hours per month. That is the rate established by the E. R. A.

Mr. TABER. I guess you did not catch my question.

Is the W. P. A. wage set so much above the going wage down there that they only have to work a few days a month in order to provide what they need?

Mr. FIELD. Long experience has not shown that.

Mr. TABER. How much above the going rate have you set your wages?

Mr. FIELD. I do not think that we have them above the going rate.

We are doing construction work down there at 20 cents an hour, and the contractors down there, for the Army and the Navy, have been paying 30 cents an hour.

The CHAIRMAN. You also have limitation on the E. R. A. as to hours. You cannot employ a man more than 8 hours a day or 40 hours a week.

To what extent is that being enforced?

Mr. FIELD. That is being enforced on the basis of 130 hours a month. We operate some projects 8 hours a day, and some projects 6 hours a day. It figures 130 hours a month, or about 30 hours a week.

The CHAIRMAN. It is also provided under the E. R. A. that your nonlabor cost per person per month shall not exceed \$6. I believe there is an exception there under special conditions, and it might go as high as \$7, but not any higher than \$7.

To what extent has this been observed?

Mr. FIELD. In the last fiscal year the expenditure was only around \$4.50. The estimate now before you is based on \$6.

The CHAIRMAN. You are keeping your nonlabor costs well under the amount permitted by law?

Mr. FIELD. We are; yes, sir.

The CHAIRMAN. What is your average labor cost per person; also your average nonlabor cost per person per month in these projects?

Mr. FIELD. The average labor cost is \$31.

The CHAIRMAN. Per month?

Mr. FIELD. Yes; per month. Our estimate here is based on 41,000 times \$31.

The estimate also includes \$6 per man per month, but we think that actually the expenditures will not exceed \$5. We do need this \$6 limitation.

The CHAIRMAN. Then, when you add the nonlabor cost what does that make your total cost per person?

Mr. FIELD. We estimate that after July 1 it will be \$37 per month.

The CHAIRMAN. You will spend the whole \$6 if necessary?

Mr. FIELD. Whenever you have a limitation you have to stay under it, and if the appropriation that we got was on the \$6 basis we would have to stay under it and we could do so. We actually figure that we will spend around \$5 to \$6, but we need the \$6 limitation to get the leeway that we have at present.

The CHAIRMAN. What proportion are men and what proportion are women?

Mr. FIELD. We have added a new table to this tabulation, as of April 20. The figures show that 32,900 were men and 6,600 were women.

The CHAIRMAN. Under what circumstances do you employ women when they are not the heads of families?

Mr. FIELD. We only employ them when they are the heads of families.

The CHAIRMAN. Women who are not the heads of families are not included?

Mr. FIELD. Not under the E. R. A. There are still plenty of women who are heads of families and who are not employed. They get the first opportunity.

AMOUNT OF ESTIMATE FOR ADMINISTRATIVE EXPENSES

The CHAIRMAN. How much of the \$8,000,000 provided here do you expect to expend for project workers and how much for administrative expenses?

Mr. FIELD. We estimate that the administrative expenses will be \$400,000, and the balance for project workers.

The CHAIRMAN. What percentage would that be?

Mr. FIELD. That is about 5 percent. That includes procurement. Under our past law funds were set up directly to the Treasury for this. Under this appropriation procurement cost is included in the \$400,000.

NUMBER OF INHABITANTS GOING INTO ARMED FORCES

The CHAIRMAN. How many men from Puerto Rico and the Virgin Islands have been taken into the armed forces?

General FLEMING. I do not know.

The CHAIRMAN. How many men have been taken from the projects for the armed service?

General FLEMING. I have not those figures.

The CHAIRMAN. You have no information on that at all?

General FLEMING. No, sir.

The CHAIRMAN. You would not have any data as to the payment of dependent allowances to families and dependents of men in Puerto Rico and the Virgin Islands who have been taken into the armed services?

General FLEMING. No, sir.

The CHAIRMAN. Can you secure that information?

General FLEMING. I will make an effort to do so.

NOTE.—We do not have information as to the number of Work Projects Administration employees entering the armed forces, but we are informed that as of May 1, 1943, 13,673 entered the armed forces from Puerto Rico and the Virgin Islands.

Mr. RABAUT. What about the age groups?

General FLEMING. That is shown in table 5, on page 28, of the justification.

The CHAIRMAN. Would you say that there is an appreciable number in the armed forces in which allowances are made for dependents?

Mr. FIELD. There are some, but, as you know, dependency allowance is a question that has to be answered before a person can be certified. That is considered.

The CHAIRMAN. Who certifies a person as being needy?

Mr. FIELD. The insular department of welfare has commodity stations all over the island and through these the people are given certification for commodities. They are also given, if needy, certification for W. P. A.

The CHAIRMAN. To what extent does this check include any record of income from other sources?

Mr. FIELD. It is a very complete check of their total income.

We had people on our own staff who checked that back.

The CHAIRMAN. To what extent do you spot check in order to determine that it is accurate?

Mr. FIELD. We have been doing that.

Only in the last few weeks we decided to make another check on everybody.

The CHAIRMAN. Have you any reason to doubt the dependability of these reports up to this time?

Mr. FIELD. No; we have not.

What we are worrying about now more than anything else is to make sure that these people are 100 percent employable on these jobs. We want to be sure that they can do the job.

The CHAIRMAN. If this money is appropriated and made available, what part of it will be used for projects which have military or naval value, and have been certified by the Army or the Navy as such?

Mr. FIELD. At the present time, and for the next 5 months, 65 percent of the projects are certified by the Army or the Navy. This same percentage will be continued for the next 5 months.

INVESTIGATION INTO ECONOMIC DISTRESS IN PUERTO RICO

The CHAIRMAN. Before we take up individual inquiry by members of the committee we are favored to have with us this morning a member of the House Committee on Insular Affairs, Mr. McGehee.

Mr. McGehee was a ranking member of the special committee which recently visited Puerto Rico and the Virgin Islands. This special committee made a study of the problems involved in this appropriation and if Mr. McGehee will be kind enough to do so we will appreciate a statement from him as to what he found down there in those islands, as to the necessity for appropriating money, especially as to any justification for the appropriation of \$8,000,000 certified here by the Bureau of the Budget.

Mr. RABAUT. Mr. McGehee, our colleague, has just had 2 or 3 minutes' notice of this meeting. He did not have time to prepare his remarks.

I presume that he will have the privilege of revising or extending his remarks.

The CHAIRMAN. We realize that Mr. McGehee has had no notice. We realize that he is at a disadvantage.

We will submit a transcript of his testimony to him and he may exercise the widest latitude in eliminating or in extending his remarks.

Of course, Mr. McGehee, the only thing in which we are interested is this appropriation of \$8,000,000. That is intended as a stopgap.

Mr. TABER. For 5 months.

The CHAIRMAN. For 5 months. This will end November 30, after which it is expected that legislation reported by your committee will take over.

The only thing that we are interested in is the question of whether or not this \$8,000,000 should be appropriated at this time, for use during the interim—between the time the W. P. A. appropriation expires and any new program begins.

Mr. LUDLOW. I think it would be interesting and it would do much toward a better understanding if the gentlemen will tell us the purpose of Senate bill 981.

General FLEMING. Senate bill 981 was a result of the Tydings committee investigation. That bill passed the Senate. It is under consideration by the House Committee on Insular Affairs, as a result of which the subcommittee was sent to Puerto Rico. They did not think that they had time enough to pass Senate 981 and as a result House Joint Resolution 128 was passed on May 27.

WORK RELIEF PROGRAM ESTIMATE

Mr. LUDLOW. You say that this is a stop-gap, and it fixes a definite amount of \$8,000,000. Suppose that legislation should be passed much sooner than 5 months' time, what will happen to the unexpended balance?

General FLEMING. I think it would revert to the Treasury.

It is not to exceed 5 months.

Mr. LUDLOW. House Joint Resolution 128 fixes a definite amount of \$8,000,000. I wonder if there should not be some language so as to make it cover the actual amount. You do not know the duration?

General FLEMING. It says that there is to be appropriated the sum not to exceed \$8,000,000.

Mr. LUDLOW. The prospect is that it will become a law before 5 months.

Who suggested the 5 months?

Mr. FIELD. That was suggested by the members of the Insular Affairs Committee before they went to Puerto Rico.

They figured they would be down there most of this month, then Congress might adjourn for a few months. They figured that by the time they had hearings it would take 5 months.

The CHAIRMAN. Even after the program is determined upon and the money appropriated it will take some little time to get the program under way.

Mr. LUDLOW. This estimate covers the Virgin Islands as well as Puerto Rico. You will have a little different problem in the Virgin Islands.

Mr. FIELD. They have been trying to increase the sugarcane industry in the Virgin Islands.

Mr. LUDLOW. How much of the estimate is for subsidizing the rum industry?

Mr. FIELD. None of it.

Mr. LUDLOW. Are there any projects for the production of rum?

Mr. FIELD. No, sir.

Mr. LUDLOW. Any projects for the production of sugar?

Mr. FIELD. There was for a short time. That was given to the Virgin Islands Co. as a temporary measure. We have stopped that.

Mr. LUDLOW. When the W. P. A. is liquidated on the 30th day of this month, in Puerto Rico, how much money will be left over?

Mr. FIELD. The funds for Puerto Rico and the Virgin Islands are lumped in with our own funds. We will have over \$106,000,000 altogether. That will be reverted to the Treasury.

Mr. LUDLOW. On the 30th of this month it will go to the Treasury?

Mr. FIELD. That is right. It is impounded already.

Mr. LUDLOW. Are these to be new projects at Puerto Rico or will they be extensions of existing projects?

Mr. FIELD. Both the Senate committee and the House committee, as Mr. McGehee indicated, feel that we should do some work in connection with sanitation. The only change we would make would be to reduce the number employed on road work and increase the number in sanitation work, if we could get the material.

Mr. LUDLOW. Will that mean setting up new projects or an expansion of present projects?

Mr. FIELD. We have the projects approved now—enough to take care of 41,000 people through November.

Mr. LUDLOW. Mr. McGehee testified of malnutrition at Puerto Rico. Does that conform with your information?

Mr. FIELD. I think the present situation in Puerto Rico is better in this respect than it was a year ago. I think that what we have done in the school lunch program has helped considerably.

They do not live as long down there as we do because of the diet that they use.

General FLEMING. You will find children in the slum areas down there who are thin-legged with pot bellies. This would indicate malnutrition.

Mr. LUDLOW. Do you have any knowledge as to the average age in Puerto Rico?

Mr. FIELD. I can give you a pretty good idea about it. The average age of the people on W. P. A. was about 55 years in this country, and the average age in Puerto Rico is about 33 years, I think, about 76 percent of the population is below 35 years of age.

EMPLOYMENT BY AGE AND SEX GROUPS

Mr. O'NEAL. I would like to ask you about this employment by age groups, referring to the chart on page 28. Would the same division obtain between men and women—about one to six of each class, and in the total?

Mr. FIELD. About the same.

ELIGIBILITY FOR MILITARY SERVICE

Mr. O'NEAL. How about the eligibility for military service? Have you any idea about how many men are eligible for military service in these age groups?

Mr. FIELD. No; we have no figures on that.

General FLEMING. The chairman asked me to get those figures, if I could, and put them in the record.

Mr. O'NEAL. Have you noticed any appreciable increase in the number of boys entering war service?

Mr. FIELD. No, sir. As a matter of fact, the biggest part of the work down there is to get enough of the boys that can pass the physical examination; so many of them have tuberculosis or malaria.

Mr. O'NEAL. So far as you are concerned, you have not noted many of them who have been taken into the armed services?

Mr. FIELD. No, sir.

SPONSORSHIP FUNDS

Mr. O'NEAL. Do you treat these sponsorship funds as a contribution to the work of the armed forces?

Mr. FIELD. We do not count that as a contribution, because of the fact that any money that they put up is always on their own property. They are Federal projects, and it is not counted as a sponsor's contribution.

Mr. O'NEAL. It is not counted as money that you have available?

Mr. FIELD. No, sir. On these road projects certified by the Army, they put up no money. That is put up by the local government.

Mr. O'NEAL. In other words, so far as the Army and Navy are concerned, you get no actual sponsorship contribution?

Mr. FIELD. Except on their own projects, where they furnish some of this material. But we do not count that.

Mr. O'NEAL. And none of that comes out of this amount of money?

Mr. FIELD. No, sir.

WORKERS' OUTSIDE INCOME NOT CERTIFIED

Mr. O'NEAL. With reference to your workers, do they do any other work besides work on unemployment relief, and so forth? For example, do you have any women who work for you on your projects and then at night do needle work or some other type of work to supplement their income? Is there any of your group, that you know of, does that additional work and derives additional income from other sources?

Mr. FIELD. No, sir. As a matter of fact, if they have any outside income, we would drop them and take on people who have no other income.

Mr. O'NEAL. In other words, they would not be certified if they were getting any income from any other source?

Mr. FIELD. That is right. There might be some who are certified to us that are getting some small amount of money, but we try to keep a close check on that.

Mr. O'NEAL. Those things are checked so that you are not giving people work, say 4 hours a day, who are working at night on some other type of remunerative employment?

Mr. FIELD. That is correct.

CONDITIONS IN PUERTO RICO

Mr. JOHNSON of Oklahoma. General, you heard the statement of the gentleman from Mississippi to the committee a few moments ago. Is that statement, in general, in keeping with the information that you have?

General FLEMING. It is; yes, sir. I have been down to Puerto Rico myself, and have seen some of the conditions down there.

Mr. JOHNSON of Oklahoma. You think, then, that the recommendation he made to the committee is in keeping with your own views?

General FLEMING. It is; yes, sir.

Mr. JOHNSON of Oklahoma. I was impressed with his statement that 600 acres of cane will not be cut this year because of the difficulty in finding workers, and that within a few miles of this particular place the W. P. A. has a project. I was also impressed with the statement that all of the warehouses in Puerto Rico are bulging with sugar.

It so happens that I have a letter this morning from one of the leading bakers in my State—I believe he is the head of the Bakers Association of the State of Oklahoma—in which he says that the bakers of the State do not have enough sugar to keep them going for 10 days. He says that the situation is very serious out in our State and that they have had to eliminate the baking of pies and cakes, nearly all of them; and while I realize that a large part of our sugar is going to our armed forces and for the purpose of making powder, it is going to be extremely difficult for the civilian population to believe that there is any necessity for a real shortage of sugar among the civilian population, while Puerto Rico, Haiti, and many of the islands in that area have their warehouses bulging with sugar. Do you have any comment to make on that situation?

General FLEMING. I think they are bulging with sugar because there has been a shipping shortage during the time of the submarine menace off our own coast. As Mr. McGehee said, that situation is easing up now, and they are getting bottoms in which to ship sugar down there.

Mr. JOHNSON of Oklahoma. Is it coming to this country, or is it going to our allies?

General FLEMING. I have no knowledge where it is going.

Mr. JOHNSON of Oklahoma. I am sure that our people are perfectly willing to go without sugar if it is necessary to win the war, but there seems to be a superabundance of sugar in Cuba, Puerto Rico, and other islands in that area, and, as I say, it is going to be difficult for the people to understand why there is such a shortage of sugar among our own civilian population.

Mr. FIELD. We have had this experience in shipping, because we have to get a certain amount of materials down there. There has been a very marked shortage of shipment. In the last few weeks it is beginning to pick up a little bit, and I think as the shipping picks up and the sugar can be moved, that situation will be relieved.

I would like to say this about this case of 600 acres of cane that has not been cut, and which is right next to one of our projects. If that condition exists, we will close the project down until the cane is cut, and will not start it again until it is cut. We will guarantee that that will be done.

Mr. JOHNSON of Oklahoma. I think that is a very practical suggestion. Unless there is some particular reason for that, as I say, it seems utterly absurd that you should have a project near a field where there are 600 acres of cane that cannot be cut because of lack of employment.

Mr. FIELD. It should not exist, and if it does, we will immediately take steps to correct it.

Mr. RABAUT. Following up the question about this cane, our colleague Mr. McGehee said that that cane could stand there and be cut next year without any detriment to it. He said it could not stand any longer than that. Now, perhaps the reason that cane is being left standing is because they have no storage facilities, because it has been said that the warehouses are filled with sugar. The witness says that the shipping situation has eased off, and perhaps that will help.

BIRTH CONTROL

Now, Mr. Chairman, the thing that struck me in the hearings this morning was the reference of General Fleming to the population. I noticed his remarks were made as the suggestions of others and not as his own. It is a sad commentary that birth control might be the "out" in that country. Real students the world over are beginning to appreciate the effect that birth control had in the fall of France. I would be pretty much of a coward if I did not talk about it, because I happen to be the father of nine children. We have the sad experience of France before the world today. We have people in this country, and in every other country, that have no children—some through no fault of their own, and others intentionally. Some there are that criticize those having a certain feeling of responsibility to populate the world and refrain from interference with the laws of nature, some for religious reasons, and some in respect to duty.

I do not mean this for you, General, for when the question came up this morning I noticed that you tempered your remarks, and I am glad you did—but personally I regard the advocates of birth control as the No. 1 saboteurs of the manpower problem of our own Nation. We have a shortage on every hand, and God Almighty has been very good to this Nation. We certainly could take care of many more people than we ordinarily provide for, and in this war effort we are finding our national economy growing to great heights because of our lend-lease program and our looking after the people of the world. I hope that the vicious practice will never be encouraged in these islands. It is a sad commentary upon a nation as great as ours that some want to stop others from coming into the world because we cannot find something to do about it, with our superintelligence.

FEEDING OF CHILDREN

I notice that we are feeding 160,000 children down there out of W. P. A. I was wondering what we really feed them?

Mr. FIELD. They feed them these vegetables that are grown on the projects, in the gardens and through the canning. It includes now some cabbage and some onions, and it is peculiar to see the children change their diet, where the older people would not, as Mr. McGehee indicates. We have felt that by that means, if we could get these children to change their diet a little and use the foods that are grown

on the island, it would gradually help the situation. We have been helping to get them some dried milk. The shipping to the island has been confined pretty much to food, and as a result we cannot get materials for construction. But we have in this table a detailed analysis of this whole feeding program. I will not take the time to read it all to you, but it is all in here—exactly what is done and how many people are fed.

Mr. RABAUT. That is fine.

General FLEMING. I would like to say that I was not advocating birth control—

Mr. RABAUT. I understand.

General FLEMING. But these are solutions of the island problem that I have heard offered.

Mr. RABAUT. I appreciate that very much, and that is why I tempered my remarks about it.

ESTABLISHMENT OF FISHING INDUSTRY

I was talking to my colleague, Congressman O'Neal, previous to his interrogating you, and I went out of the room before he had finished. Did he bring up anything about a fishing industry?

General FLEMING. No; he did not.

Mr. RABAUT. I was wondering why a fishing industry could not be established there.

Mr. FIELD. We have all felt that same way; that if they could establish a fishing industry that would take the fish out of the waters right there, they would not need to have salt fish from the New England States sent down there.

Mr. RABAUT. Not only that, but they might even create a fishing industry by which they could ship fish to other places.

General FLEMING. It is largely a matter of refrigeration, I think.

Mr. RABAUT. Well, maybe we need some industry of that kind down there to start it.

SCHOOL PROJECT FOR TRAINING DOMESTIC HELP FOR THE UNITED STATES

I have another idea. There is a terrible shortage of domestic help in the United States. Has anything ever been done to establish a school for the creation of domestic help, or has thought been given to a project of that kind?

Mr. FIELD. Last fall Hon. Bolívar Pagán, the Resident Commissioner from Puerto Rico, came to see me to find out what we could do to transport some of these workers to this country; and not only domestic workers, but he was talking mainly about farm labor and industrial labor. I suggested that he get in touch with the War Manpower Commission, with the idea that it would be sensible for us to take those people into our country before we take others. As a result, they have recently established an office of the War Manpower Commission in Puerto Rico in an effort to train the people that can be moved into this country. But, to show you how serious the shipping part of it is, there are about 1,200 people that are trying to leave the island now that cannot get out because of lack of transportation, and that difficulty would have to be relieved before very much could be done.

Mr. RABAUT. We have always had the problem of these islands before the Congress, and I am not trying to make it a wartime matter. Of course the wartime conditions enter into it, and we have to take cognizance of them in order to make our appropriations. But it seems to me that a school could be established there that would develop, perhaps, the perfect servant, and that that servant could be released to the United States, and that those people would actually be sought for here, and when they passed certain examinations, they could come. It would be something worth while, and would give them an ambition in that direction.

Mr. FIELD. That is a good suggestion.

STEADINESS OF WORKERS

Mr. RABAUT. I want to put one other question here. What studies have been made as to the steadiness of the worker at his given employment? In other words, is it true that when a person works 3 or 4 days he gets his money and quits?

Mr. FIELD. That has not been happening in our program, because the average monthly earnings of these people have been pretty close to the maximum that they could make. I mean, our average earnings are \$31 a month for all the people.

Mr. RABAUT. All right; I understand.

General FLEMING. I found, Mr. Rabaut, when I was down there investigating the needle industry, in the days when I was head of the Wage and Hour Division, that many of those women were earning as much as a hundred dollars a week. That is, they were getting very low pay, but they were putting in that much time just for a bare subsistence.

Mr. RABAUT. I realize that, and I know that has been changed now. With regard to that needle industry, what has happened to it?

General FLEMING. It came back, and when shipping stopped, it practically went out of existence, because they have to move the materials down there and move them out.

Mr. RABAUT. My question does not go to that group; it goes to the group that are getting better wages there. I have had it told me that when they work a few days and get paid, they quit. Is that true? Has any study been made of that so far as W. P. A. is concerned?

Mr. FIELD. Our experience with W. P. A. has not shown that.

Mr. RABAUT. And you did not make any study of the industry in that regard?

Mr. FIELD. No, sir.

Mr. RABAUT. You have not made many studies, have you?

Mr. FIELD. We made a study with the Department of Labor some time ago.

Mr. RABAUT. Can you give us the results of that study with the Department of Labor?

Mr. FIELD. I will be glad to see if we can get that from the Department of Labor.

FARM WORKERS

Mr. JOHNSON of Oklahoma. Following up the questions of the gentleman from Michigan about the workers down there in Puerto Rico, are those people trained to do the kind of farm work that we

have in many of our areas in the United States? Would they be good farm help if they were brought here?

Mr. FIELD. No, sir. That is one of the reasons why they did not want to bring many of them in. During the last war they brought quite a few Puerto Ricans to this country, and a large percentage of them died of flu. Many of them have a little TB, and their training has not been the same as in this country. I think some of them could be used in this country in industrial work, skilled trades, and so forth.

Mr. JOHNSON of Oklahoma. Don't you think they should be examined very carefully physically before any of them are brought in?

Mr. FIELD. Oh, yes.

Mr. JOHNSON of Oklahoma. You say that many of them have TB in some form or other?

Mr. FIELD. Yes, sir.

Mr. JOHNSON of Oklahoma. And a great many of them are under-nourished?

Mr. FIELD. Yes, sir.

Mr. JOHNSON of Oklahoma. It would be a bad thing to bring those people into the United States, and I certainly would protest against the bringing of those people here unless they are examined very carefully by a reputable physician. I would rather send money down there to assist them than to bring them here.

(Discussion off the record.)

EXPENDITURES ON WORK PROJECTS ADMINISTRATION PROJECTS IN PUERTO RICO AND THE VIRGIN ISLANDS BY SOURCES OF FUNDS

Mr. TABER. General, I want you to put table No. 7, on page 31 of the justifications, in the record, showing the expenditures by source of funds.

(The statement referred to is as follows:)

TABLE 7.—*Expenditures on Work Projects Administration projects by source of funds in Puerto Rico and the Virgin Islands, fiscal year 1943*

	Total	Work Projects Administration funds ¹	Sponsors' funds	
			Amount	Percent of total
1942				
July	\$1,408,675	\$1,113,339	\$295,336	21.0
August	1,328,982	793,535	535,447	40.3
September	942,539	726,628	215,911	22.9
October	1,131,286	858,578	272,708	24.1
November	1,327,214	1,010,975	316,239	23.8
December	1,406,307	1,166,519	239,788	17.1
1943				
January	2,094,557	1,323,959	770,598	36.8
February	1,538,382	1,324,303	214,079	13.9
March	1,917,437	1,371,285	546,152	28.5
April	1,763,906	1,309,335	454,571	25.8
Subtotal	14,859,285	10,998,456	3,860,829	26.0
May ²	1,857,000	1,374,000	483,000	26.0
June ²	1,857,000	1,374,000	483,000	26.0
Total	18,573,285	13,746,456	4,826,829	25.0

¹ Monthly totals are based on vouchers approved during month rather than on actual expenditures incurred.

² Estimated.

EXPENDITURES FROM FEDERAL FUNDS IN PUERTO RICO AND THE VIRGIN ISLANDS, BY MONTHS

Mr. TABER. Also I would like in the record the table showing the monthly expenditures in both Puerto Rico and the Virgin Islands. (The statement referred to is as follows:)

Expenditures from Federal funds on projects operated by Work Projects Administration¹ in Puerto Rico and the Virgin Islands, by months, July 1941 to April 1943

Month	Total	Puerto Rico	Virgin Islands
1941:			
July.....	\$1,270,225	\$1,250,820	\$9,405
August.....	1,237,046	1,225,090	10,956
September.....	1,055,354	1,039,521	15,833
October.....	1,089,486	1,057,970	31,516
November.....	1,034,913	992,769	42,144
December.....	1,047,645	1,007,893	39,752
1942:			
January.....	1,572,536	1,503,586	68,950
February.....	1,268,048	1,234,565	33,483
March.....	1,213,387	1,146,813	66,574
April.....	1,325,905	1,265,745	60,159
May.....	1,237,622	1,207,995	49,624
June.....	1,224,354	1,172,564	51,790
July.....	1,113,333	1,065,059	47,270
August.....	793,535	763,940	29,595
September.....	725,628	704,242	22,386
October.....	858,578	816,834	41,744
November.....	1,010,975	958,541	22,434
December.....	1,166,519	1,133,414	33,105
1943:			
January.....	1,323,959	1,285,035	37,924
February.....	1,324,303	1,309,140	15,163
March.....	1,371,286	1,327,402	43,884
April.....	1,309,335	1,279,637	29,698

¹ Does not include expenditures on Work Projects Administration projects operated by other Federal agencies and financed by allocation of Work Projects Administration funds.

Employment on projects operated by the Work Projects Administration¹ in Puerto Rico and the Virgin Islands, by sex and month, July 1941 to April 1943

Date	Puerto Rico and Virgin Islands			Puerto Rico			Virgin Islands		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1941:									
July 30.....	27,419	25,592	1,827	27,224	25,425	1,799	195	167	28
Aug. 27.....	26,683	24,548	2,135	23,416	24,356	2,050	267	192	75
Sept. 24.....	23,419	23,438	2,981	24,097	23,210	2,887	322	228	94
Oct. 23.....	29,550	26,051	3,499	28,587	25,242	3,345	963	849	154
Nov. 18.....	29,134	25,628	3,506	28,199	24,840	3,359	935	788	147
Dec. 16.....	30,937	27,414	3,523	30,022	26,648	3,374	915	766	149
1942:									
Jan. 20.....	28,072	24,581	3,491	27,113	23,771	3,342	959	810	149
Feb. 17.....	31,294	27,577	3,717	30,349	26,772	3,577	945	805	140
Mar. 17.....	30,200	26,308	3,892	29,214	25,473	3,741	986	835	151
Apr. 21.....	23,001	25,274	3,727	27,773	24,294	3,479	1,228	980	248
May 19.....	26,749	23,297	3,452	25,634	22,332	3,302	1,035	905	160
June 16.....	27,054	23,585	3,469	26,076	22,772	3,304	973	813	165
July 21.....	18,792	16,458	2,334	18,240	15,945	2,295	532	513	79
Aug. 18.....	19,183	16,887	2,301	18,639	16,413	2,226	549	474	75
Sept. 15.....	18,620	16,177	2,443	18,033	15,716	2,347	557	461	96
Oct. 20.....	26,375	23,010	3,365	25,696	22,593	3,103	679	417	262
Nov. 17.....	31,259	26,962	4,297	30,398	26,411	3,987	861	551	310
Dec. 15.....	37,331	31,983	5,348	36,477	31,420	5,057	854	563	291
1943:									
Jan. 19.....	46,696	40,624	6,072	45,668	39,975	5,693	1,028	649	379
Feb. 16.....	40,888	35,199	5,689	39,826	34,530	5,296	1,032	639	393
Mar. 16.....	43,576	36,808	6,768	42,489	33,167	6,322	1,087	641	446
Apr. 20.....	39,597	32,939	6,658	38,544	32,393	6,143	1,053	543	510

¹ Does not include employment on Work Projects Administration projects operated by other Federal agencies and financed by allocation of Work Projects Administration funds. Distribution of employment by sex for projects operated by other Federal agencies is not available.

ESTIMATED MONTHLY ADMINISTRATIVE REQUIREMENTS FOR PUERTO RICO AND THE VIRGIN ISLANDS

Mr. WIGGLESWORTH. Mr. Chairman, I would like to have included in the record the table that appears on pages 10 and 11 of the justifications.

The CHAIRMAN. Without objection, it will be included in the record. (The statement referred to is as follows:)

Estimated monthly administrative requirements for Puerto Rico and the Virgin Islands

	Persons	Amount
Personal services, State office:		
Office of Director in Charge	38	\$8,342
Division of Engineering and Construction	22	6,256
Division of Service Projects	17	4,241
Division of Employment	11	2,726
Division of Finance	100	19,379
Division of Supply	16	4,014
Total, personal services, State office	204	44,958
Personal services, district offices:		
Office of district manager	10	2,766
Division of Engineering and Construction	8	1,888
Division of Service Projects	8	1,762
Division of Employment	76	14,022
Division of Finance	9	2,028
Total, personal services, district offices	111	22,466
Personal services, central office:		
Office of Director	6	1,832
Division of Reports and Statistics	3	649
Division of Engineering and Construction	3	1,187
Division of Service Projects	2	552
Division of Finance	6	1,237
Division of Supply	2	502
Total, personal services, central office	22	5,959
01 All personal services	337	73,383

Other obligations	Total	State and district offices	Central office
02 Travel	\$2,700	\$2,000	\$700
03 Transportation of things	50	50	—
04 Communication services	600	500	100
05 Rents and utility services	1,025	900	125
06 Printing and binling	500	500	—
07 Other contractual services	637	417	250
08 Supplies and materials	1,075	1,000	75
Total other obligations	6,617	5,337	1,250
Grand total obligations	80,000	—	—

The CHAIRMAN. Thank you very much, gentlemen.

MONDAY, JUNE 21, 1943.

CIVIL SERVICE COMMISSION

STATEMENTS OF ARTHUR S. FLEMMING, COMMISSIONER, ACCOMPANIED BY ISMAR BARUCH, CHIEF OF PERSONNEL CLASSIFICATION DIVISION; RALPH FUCHS, EXECUTIVE SECRETARY, BOARD OF LEGAL EXAMINERS

TRANSFER OF FUNCTIONS FROM CENTRAL ADMINISTRATIVE SERVICES TO CIVIL SERVICE COMMISSION

Mr. LUDLOW. Mr. Flemming, we have before us an estimate contained in House Document 221, in the amount of \$325,000, for the fiscal year 1944, for salaries and expenses, to enable the Commission to perform personnel work for agencies in the Office for Emergency Management formerly performed in the fiscal year 1943 by the Division of Central Administrative Services.

In the national war agencies bill, just passed by the House, the funds of the Division of Central Administrative Services were reduced on an annual basis for personal services, in the amount of \$1,611,000.

Central Administrative Services advised the committee that incident to this transfer of personnel work away from the Division of Central Administrative Services, they had dropped 346 persons in Washington and 406 in the field.

Can you tell us how much of this personnel work the Civil Service Commission is taking over here and in the field?

Mr. FLEMMING. I will be very happy to address myself to that question, Mr. Chairman. I had already noted, in reading the hearings on the Central Administrative Services budget for 1944, that the committee's attention had been called to the fact that under Executive Order 9930, certain personnel functions were transferred from the Central Administrative Services to the Civil Service Commission and to the various war agencies which are a part of the Office for Emergency Management.

As a result of this Executive order, 272 positions were transferred to the Civil Service Commission at a total annual salary cost of \$573,880.

In order to carry on this work for 1944, the Commission is asking for 137 positions as contrasted with 272, at an annual salary cost of \$325,000 as contrasted with an annual salary cost of \$573,880.

Mr. LUDLOW. How will you absorb that differential?

Mr. FLEMMING. Mr. Congressman, the transfer from the Central Administrative Services to the Civil Service Commission involved primarily two types of activities—one, recruitment and placement; and two, field classification work.

We are going to absorb the recruiting work that was transferred from Central Administrative Services to the Civil Service Commission.

We have always believed that a certain amount of their recruiting activities duplicated the work of the Civil Service Commission. Because we believed that, it seemed to us that the only logical thing for us to do was to absorb the costs involved. Therefore, by making that particular decision we have been able to come before the Congress and ask for 135 fewer positions than were transferred to us. This represents a saving of \$248,880.

Mr. LUDLOW. Do you have a little more detailed break-down of that \$325,000?

Mr. FLEMMING. Yes, sir; we can provide it.

Mr. CUSTER. The green sheets are here, Mr. Chairman, and we have here details by classification and grade.

Mr. LUDLOW. We shall probably go into that a little later on, but first I should like to ask this question: How much more cheaply does the Civil Service Commission estimate that this personnel work can be done by you than it could be by the Division of Central Administrative Services?

Mr. FLEMMING. In effect I think I have already indicated the amount.

Mr. TABER. \$250,000, approximately?

Mr. FLEMMING. That is right; roughly, a saving of \$250,000.

Mr. LUDLOW. During the course of the hearings on the national war agencies bill, several heads of important agencies complained at the great length of time it took to get positions filled; that seemed to be more or less a general complaint. I will not say it was general, but a number complained and one man said that it was 5 weeks and often more than that before positions were filled. What is your comment on that?

Mr. FLEMMING. Mr. Chairman, of course, it is rather difficult to respond to a generalized comment of that kind. But certainly I would be perfectly willing to admit that it is very difficult to fill certain types of positions these days. It is very difficult to find persons who are qualified for certain jobs. And often when you do find them it is difficult to persuade them to take the jobs. Of necessity, of course, that results in delay in the filling of positions. I believe, however, that they are being filled just as rapidly as it is humanly possible for us to fill them under present conditions, taking into consideration the resources which are available to us.

Mr. LUDLOW. The available timber for these governmental positions has been pretty well combed over; has it not?

Mr. FLEMMING. That is correct, sir. And, as you can appreciate, there are certain occupational categories where the demand for qualified people, both in Government and in industry, is considerably ahead of the supply.

Mr. LUDLOW. With the approval of the committee, your exhibit B, part of your justifications, will be made a part of the record at this point. It is a statement showing the central administrative services positions transferred to regional offices and the Budget estimates for 1944.

(The matter referred to is as follows:)

EXHIBIT B.—*Statement showing central administrative service positions transferred to regional offices and Budget estimates for 1944*

Grade	All positions transferred from central administrative service (a)	Positions requested in Budget estimate (b)
CAF-11.....	13 \$49,400	12 \$45,600
CAF-9.....	27 83,400	22 70,400
CAF-7.....	64 166,900	41 106,600
CAF-6.....	1 2,300	
CAF-5.....	31 62,600	18 36,000
Subtotal, technical positions.....	136 367,600	93 258,600
CAF-4.....	12 21,600	2 3,600
CAF-3.....	44 71,400	14 22,680
CAF-2.....	70 100,800	27 38,880
CAF-1.....	8 10,080	1 1,260
CPC-2.....	2 2,400	
Subtotal, clerical positions.....	136 206,280	44 66,400
Total.....	272 573,880	137 325,000

DUTIES OF PERSONNEL

Mr. TABER. Mr. Flemming, what do these people do?

Mr. FLEMMING. In response to that question, may I give you just a brief summary of how we intend to carry on the work that has been transferred to us?

Mr. LUDLOW. Before you do that, I intended to ask you, what agencies do you intend to do this work for?

Mr. FLEMMING. Primarily the war agencies that are a part of the Office for Emergency Management and the Office of Price Administration; and, in addition to that, as I shall point out a little later on, we hope to extend our services to some other agencies that have not been receiving such service up to the present moment.

If these funds are appropriated by the Congress, they will be used to set standards for applying the Classification Act of 1923 to field positions, and to check up in order to find out whether the standards are being followed.

In the departmental service, as the committee appreciates, as contrasted with the field service, the Civil Service Commission has the administrative responsibility for seeing to it that the price tags placed on jobs are the price tags called for by the Classification Act of 1923. But in the field service, the head of each individual agency has the administrative responsibility for seeing to it that the price tags placed on jobs in the field service are the price tags called for by the Classification Act of 1923.

Title II of the Ramspeck Act, approved November 26, 1940, gives the President the authority to shift by Executive order the administrative responsibility for placing the price tags on field positions from the head of each individual agency to the Civil Service Commission. No effort, however, has been made to work out such a shift during the war period because of the huge cost that would be involved.

Central Administrative Services did, however, have a staff of classification people who had been hired to assist the heads of the war agencies connected with the Office for Emergency Management in determining what price tags should be placed on field jobs under the Classification Act of 1923. That job has been shifted by Executive Order 9330 to the Civil Service Commission and will be handled by us, as follows:

(a) In most instances we will work out standards for determining what price tags should be placed on field jobs in the war agencies of the O. E. M.; and

(b) After we have set the standards, we will check up to see if the standards have been followed. And if they have not, we will call the matter to the attention of the heads of the agencies concerned, and also to the Bureau of the Budget. Where standards have not been set for jobs then we will give advice on each individual case.

But, in addition to serving the war agencies which are a part of the O. E. M. in this manner, we will also gradually extend this service to other agencies as our resources permit.

We will work out standards for placing price tags on field positions which can be applied to all of the agencies in the Federal Government. After all there is nothing peculiar about many of the positions that you find in these war agencies under O. E. M., and the standards that we work out for them we can extend to the entire service. Under a War Manpower Commission directive, we have authority to require the agencies to adhere to these standards.

Mr. LUDLOW. For the benefit of the uninitiated, will you explain what you mean by price tags?

Mr. FLEMMING. Whether or not job A should be classified at \$3,200 or at \$3,800. I have tried to stay away from some of the technical lingo, and that is why I used the terminology, "price tag."

Mr. LUDLOW. I think it is expressive. It depends on the characteristics of the job, what salary it shall carry.

Mr. FLEMMING. That is right. Here is a job with certain duties and responsibilities. Where does it belong, at \$3,200, at \$3,800, or \$4,600?

Once again, when we have set the standards under this broader program, we will from time to time conduct post-audits and flagrant violations of standards will be reported to the heads of the agencies concerned, to the Bureau of the Budget, and to the General Accounting Office.

We have already handled one job in this manner. A survey was made of certain guard and patrolman positions in the field service. We found a very wide disparity between the salaries paid similar positions in different agencies, and even within a single agency. For example, the entrance salaries for these guard and patrolman jobs ranged from \$1,200 to \$1,860 in various field establishments, in a single bureau, all of which were located in one State.

Here is a single bureau with various establishments located within one State. Some appointing officers had put a price tag of \$1,200 on certain duties and responsibilities and others had put higher price tags on the same type of job, prices which ranged all the way up to \$1,860.

Mr. LUDLOW. Although the duties and responsibilities were substantially identical?

Mr. FLEMMING. That is correct; substantially identical. That is just one example of the kind of situation we think can be discovered and corrected in the field service. That is one of the objectives we have in mind in getting this program under way.

Mr. TABER. We have been holding quite a number of hearings in the last 6 or 8 weeks, and it seemed that positions were classified away out of line in many agencies and the heads of the agencies always put the burden, having admitted that that was so, on the Civil Service Commission. I have been disappointed to see so many of these people classified in what seemed to be outlandishly high brackets.

What is the trouble there?

Mr. FLEMMING. Mr. Congressman, I have been reading some of those hearings, and I noted the tendency to place the responsibility in virtually every instance on the Civil Service Commission.

Mr. TABER. I do not know whether you noticed that I told them they should have gone into the matter themselves and made representations to the Civil Service Commission, and made application, if it was necessary, for a rehearing.

Mr. FLEMMING. Mr. Congressman, I will say this: I know of no single instance where any department or agency of the Federal Government has come to us and told us that we classified a job too high. But I do know of hundreds of instances where they have come to us and complained because we had not classified them high enough.

As far as the departmental service is concerned, we have the legal responsibility and we assume, without attempting to "pass the buck" to anyone, responsibility for what has happened in that particular area.

I will say to you that undoubtedly we have made mistakes, because of the very heavy work load that we have had during the war period. We just have not had the time to make the careful inquiries that we would normally make, and naturally we have made mistakes.

But so far as the field service is concerned, the Civil Service Commission has no administrative responsibility for fixing the salaries for those jobs. Therefore, when agencies attempt to say that the responsibility for putting price tags on particular field jobs rests with us, they are not sticking to the facts.

Mr. TABER. Do they not have the right to appear before your Commission, or its representatives, if they feel that their appropriation is going to be unduly drained by an increase in salary given to one of their representatives?

Mr. FLEMMING. They certainly have, Mr. Congressman. And I may say that we would welcome representations of that kind. But I have never heard of any being made.

Mr. LUDLOW. Mr. Fleming, in ironing out to a uniform basis the disparity of compensation paid for positions of comparable responsibility, will the tendency be to increase the average level of compensation?

Mr. FLEMMING. Of course, there again it is pretty hard to generalize. Let me take one instance, if I may. That is the instance I have already cited, namely, the guard positions. I would like to ask Mr. Baruch, who has the responsibility for that, or who had the responsibility for that particular job, whether the result of it tended to increase the average compensation for those jobs, or lower it.

Mr. BARUCH. I think the result was to increase the average salary, because we ended up with a standard entrance salary of \$1,500, \$1,680,

and \$1,860. The ranges of the actual pay instead of being from \$1,200 to \$1,860 were \$1,200 to \$2,220 because in one agency, the Department was using laborers who were paid on a wage-board basis and assigning them to guard duty, and they actually earned something over \$2,000 a year.

I would say that our standard rates were just about on the average, if you took the full range into the picture, including the laborers assigned to guard duty.

Mr. FLEMMING. I think it is fair in that connection to say this, that as far as these field establishments are concerned, we find all kinds of situations ranging from one extreme to the other. There are old-line field establishments where the agencies have held down classification grades below what they should be. Such a situation is not fair to the employees and it is not fair to the government, because all it does is to increase turn-over, and, as a result, we have to spend more money in the long run.

Mr. LUDLOW. You expect to correct these disparities by establishing uniformity through the various agencies?

Mr. FLEMMING. That is correct. This will be the first step taken by the Federal Government in that general direction, and that is what these jobs and this money is for. And that is our purpose in asking for it. Frankly, we think this is a fine opportunity to make a start in the direction of getting some order out of what we believe is a chaotic situation as far as the field pay scales are concerned.

Mr. LUDLOW. A while ago you said very frankly that in your opinion there had been duplication. I wonder if you would elaborate on that a little, and tell us wherein that duplication existed.

Mr. FLEMMING. Yes; I shall be very happy to. The Central Administrative Services had certain persons on their pay roll before this transfer was effected, who had recruiting responsibilities. We always felt that some of their activities constituted a duplication of the recruiting work that has been carried on by the Commission; and that the Government should adhere to the policy that recruiting activities should be centered in the Civil Service Commission as the central personnel agency.

Mr. TABER. You are going to go not only into the war agencies and reclassify their employees in the field, but you are also going into the old-line departmental agencies and reclassify them all through the field?

Mr. FLEMMING. Mr. Congressman, under the Executive order, our first responsibility is in connection with the war agencies under the O. E. M. and we must give them first consideration. The amount of money and the number of people we are asking for are fairly small, but we do believe that we can take the factual information we will bring together in connection with the work that we do for these war agencies, and use it for the purpose of establishing some standards that will be applicable to other agencies of the Government. And, as I have indicated, under certain authorities that we have, we can promulgate such standards and then, having promulgated the standards, the responsibility for actually deciding where a particular job belongs will still rest with the head of the agency. But we can post-audit what he does, and if we find that there are serious discrepancies between the standards and what he has done, then we can take remedial action.

BOARD OF LEGAL EXAMINERS

Mr. LUDLOW. You have another item before us, which is on page 2 of the bill, for the Board of Legal Examiners, \$86,600. That is also to be found in House Document 221.

May I state this preliminary to a discussion of the item? The committee, in the independent offices appropriation bill, eliminated an estimate for this amount for the fiscal year 1944 for continuing the work of the Board of Legal Examiners. In the report on the bill, the committee said:

The reasons for the denial of these funds are known to the Commission and are fully set forth in the statement of the managers on the part of the House in the conference report on the independent offices appropriation bill for 1943. The committee has obtained a rather favorable impression of the work of the Board in recent months but prefers to withhold approval until pending legislation on the matter is favorably acted upon.

The bill carries a limitation prohibiting the use of any of the money therein for the Civil Service Commission for use of the Board of Legal Examiners. The situation exists, therefore, that the Board will go out of existence unless, first, an appropriation is now made for it; and, second, the limitation on funds for the Commission in the independent offices bill is repealed.

I understand that legislation has passed the House and is pending in the Senate to authorize the Board as an integral part of the Commission. Can you tell us what is the status of that legislation and what is the prospect for its passage?

Mr. FLEMMING. Mr. Chairman, I had hoped before we reached this item, that the Solicitor General, who is the Chairman of the Board of Legal Examiners, would be here for the purpose of bringing the committee up to date on that situation. Apparently he is tied up in the Supreme Court, and has not yet arrived. But Mr. Fuchs, who is the secretary of the Board of Legal Examiners, is here, and I think he can give you the picture.

Before he does that, however, I would like to say this. In appearing before a subcommittee of this committee in connection with the independent offices appropriation bill, I did say that the Commission does have confidence in the manner in which the Board of Legal Examiners is carrying on its operations, and we believe the Board likewise now has the confidence of the bar and the public because of the way in which it has carried on its operations during the past year.

Mr. LUDLOW. We are glad to have that statement, and we should be glad at this time to hear Mr. Fuchs.

Mr. FUCHS. Thank you, Mr. Chairman. As regards the status of the bill which would give specific statutory authority to the Board of Legal Examiners, it has been pending in the Senate 2 months, since the passage of the bill by the House on April 19.

Mr. LUDLOW. There has not been any action over there yet?

Mr. FUCHS. Not as yet. The Committee on Civil Service in the Senate has not yet made a report upon the bill. Considerable effort has been made to get the committee to act, but many of the members have been away a good part of the time.

Mr. LUDLOW. Of course, this proposed appropriation is predicated on the assumption that the bill will pass.

Mr. FUCHS. Yes, sir.

Mr. LUDLOW. Are we safe in going ahead, in your opinion?

Mr. FUCHS. The situation in the committee, I am told by Miss Murphy, who is the clerk of the committee, at the present time, is this: That the committee decided about 2 weeks ago informally—certain leading members of the committee did—that the committee action might be taken by means of a poll of the members, but objection was raised to that method of proceeding by one of the members of the committee. Nevertheless, I understand favorable votes were received in the course of the poll from 7 out of 10 of the committee members. I believe no adverse votes were received.

A meeting of the committee was arranged for last Tuesday, because of the feeling of one of the members that there should be a meeting. But that meeting did not materialize because certain members could not appear. It is now scheduled for Wednesday morning at 10:30. That is all the information I have concerning it.

Mr. LUDLOW. Would this appropriation carry forward the work during the fiscal year 1943, with the same number of personnel and the same other obligations?

Mr. FUCHS. The same authorized personnel. We have not had a full staff recently because of the legislative situation.

NUMBER OF PERSONNEL

Mr. LUDLOW. How many positions do you have?

Mr. FUCHS. We have 5 professional people on the staff and 15 clerical people.

Mr. LUDLOW. What is your authorized personnel?

Mr. FUCHS. Our authorized personnel will give us 3 more. We would have 23 altogether.

Mr. WIGGLESWORTH. You took Mr. Herbert Wechsler's place?

Mr. FUCHS. Yes.

Mr. WIGGLESWORTH. Has there been any other change in the composition of the Board since a year ago?

Mr. FUCHS. Of the Board itself?

Mr. WIGGLESWORTH. At that time it consisted of Mr. Fahy; Mr. Cannon; Mr. Durr; Mr. Foley; Mr. Abe Fortas; Mr. Reilly; Professor Hays, of Columbia; Dean VanHecke, of the University of North Carolina; and Mr. Wickser, of New York.

Is that the present composition of the membership?

Mr. FUCHS. There has been one addition since that time, Mr. Walter P. Armstrong, of Memphis, has become a member of the Board.

Mr. WIGGLESWORTH. Whose place did he take?

Mr. FUCHS. He took a place which was vacated because one of the Government memberships lapsed. I was not connected with the Board when that position became vacant. It was decided that there should be a non-Government member appointed instead of a Government member. I believe that occurred because Mr. Francis Biddle became Attorney General.

Mr. WIGGLESWORTH. Which Government member dropped out?

Mr. FUCHS. Mr. Biddle dropped off, eliminating that position.

Mr. WIGGLESWORTH. He is not on the list that I just read. The Government members that I just read here were Mr. Fahy, Solicitor

General; Mr. Cannon, principal legal adviser, Civil Service Commission; Mr. C. J. Durr, member of the Federal Communications Commission; Mr. Foley, general counsel, Treasury Department; Mr. Abe Fortas, general counsel, National Power Policy Committee; and Mr. G. D. Reilly, member of the National Labor Relations Board.

Mr. FUCHS. Yes. The vacancy was created before that list was compiled, when Mr. Biddle became Attorney General and it was not filled for some time. Then Mr. Armstrong was appointed.

Mr. FLEMMING. In other words, there was one vacancy when that list was supplied to you.

Mr. WIGGLESWORTH. Will you put something in the record about Mr. Armstrong's background and experience?

Mr. FUCHS. Yes; Mr. Armstrong was president of the American Bar Association the year before this current year.

Mr. WIGGLESWORTH. He is a practicing attorney in Memphis?

Mr. FUCHS. Yes; he is. I do not know for how many years, but I should judge a good many years, because he is a lawyer of mature experience. As regards the work of the Board, I can supply the committee with all the details that are desired.

Mr. WIGGLESWORTH. I think we covered that pretty thoroughly in the hearings on the independent offices bill, when you were here before.

Mr. FUCHS. I have some supplementary material which I can make available to the committee, if they desire.

Mr. LUDLOW. You may leave that information with the committee, for the information of the committee.

I believe that is all, gentlemen; thank you.

Mr. FLEMMING. Thank you very much.

MONDAY, JUNE 21, 1943.

NATIONAL RESOURCES PLANNING BOARD

SALARIES AND EXPENSES, SUPPLEMENTAL APPROPRIATION FOR 1944
EXPENSES INCIDENT TO LIQUIDATION OF BOARD

STATEMENTS OF DR. CHARLES E. MERRIAM, VICE CHAIRMAN; CHARLES W. ELIOT, DIRECTOR; AND HAROLD MERRILL, EXEC- UTIVE OFFICER

The CHAIRMAN. Dr. Merriam, we have an estimate here, in House Document No. 240, of \$42,500, as follows:

For an additional amount for salaries and expenses, National Resources Planning Board, fiscal year 1944, to be used exclusively for the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943, \$42,500.

The independent offices appropriation bill for 1944 contains a provision for the appropriation of \$50,000 to discontinue the Board after August 31 and to give the Director authority after that date to wind up its accounts and other business prior to January 1, 1944.

The estimate of the Director for liquidation purposes is \$95,000, which consists of \$42,500 for accrued leave and \$52,500 for other liquidation expenses.

Will you give us a statement on that, Mr. Eliot?

JUSTIFICATION OF ESTIMATE

Mr. ELIOT. I have a prepared justification statement here, sir.
The CHAIRMAN. It will be included in the record at this point.
(The statement referred to is as follows:)

SUPPLEMENTAL APPROPRIATION—DISCONTINUANCE OF BOARD

For an additional amount for salaries and expenses, National Resources Planning Board, fiscal year 1944, to be used exclusively for the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943, \$42,500.

The \$50,000 provided in the independent offices appropriation bill "for all expenses incident to the discontinuance of the work of the Board" is inadequate to cover both essential services for such discontinuance, and the amount necessary for "the payment of accumulated and accrued annual leave of employees of the Board due them after June 30, 1943." The following table shows estimated minimum expenses involved:

1. Personal services:	
(a) Board and advisers (2 meetings, July and August)-----	\$2, 900
(b) Washington—Administrative staff, 1 to 6 months (accounts, auditing, personnel, publications, etc.)-----	25, 500
(c) Field—Closing 11 field offices-----	10, 000
2. Accumulated and accrued annual leave-----	42, 500
3. Travel (Board, \$1,000; closing field offices, \$500)-----	1, 500
4. Communications (Washington and field)-----	1, 500
5. Transportation of things (connection closing field offices)-----	1, 200
6. Printing and binding (report to Congress on wind-up)-----	3, 500
7. Contingencies and reserve-----	6, 400
	<hr/>
	95, 000

BASIS OF ESTIMATE

1. *Personal services.*—(a) Board and advisers, \$2,900: Based on 2 meetings, 1 each in July and August, and service of Board members. Mr. Delano, 5 days per month; Messrs. Merriam and Yantis, 10 days each per month; and Messrs. Dennison and Ruml, 2 days each per month; all at \$50 per diem. before August 31.

- (b) Washington administrative, \$25,500: Allows for—
Director, executive officer, secretarial and clerical for up to 6 months----- \$12, 500
(2) Personnel, pay-roll and leave staff—7, at \$3,200 to \$1,620, for 1 to 4 months----- 3, 500
(3) Administrative, accounts, bookkeeping, voucher clerks, etc.—7, at \$2,900 to \$1,440, for 1 to 5 months----- 3, 500
(4) Files, mail, library, and miscellaneous—4, at \$3,200 to \$1,620, for 1 to 4 months----- 2, 000
(5) Publications—Distribution of reports and completion of those being printed, 3 people for 3 to 5 months----- 3, 000
(6) Allowances for miscellaneous, occasional service, few days of technical staff, totaling not more than----- 1, 000

(c) Field, \$10,000: Allows for closing 11 field offices, sorting and packing records and files, and arrangements for transfer of space and equipment to other agencies, etc., secretaries and occasional service of other staff pending transfer, average of \$900 per office.

2. *Accumulated and accrued annual leave, \$42,500.*—Leave due employees totals about \$98,000. We have reviewed the situation of each individual on the staff as to probability and time of their transfer to other Federal agencies and our best estimate is that the Board will owe not less than \$42,500 for earned leave due to employees after June 30 who are leaving the Federal service, who are going into the armed forces, or while their transfer is in process.

It is proving practically impossible for men with a draft status of I-A, II-A, II-B, or III—fathers with no children before Pearl Harbor, to transfer to other agencies or to get other employment. The leave due such men alone amounts to \$13,000. A considerable number of our staff are transferring to the employment of States or local governments, to Federal Reserve banks, or to other private employment.

We must also allow for some delay in effecting transfers to other Federal agencies after June 30, during which the employees involved will be on annual leave.

3. *Travel, \$1,500.*—Allows for two Board meetings at average of \$500 per meeting and \$500 more for possible necessary trips re field offices.

4. *Communications, \$1,500.*—Allows \$1,000 for regular Washington service tapering from present monthly charge to nothing in December and \$500 for all long distance, telegrams and field office charges.

5. *Transportation of things, \$1,200.*—For sending records and files from field offices to Washington and Archives.

6. *Printing and binding, \$3,500.*—For report to Congress on winding up affairs of the Board and summary report by the Board.

7. *Contingencies and reserve, \$6,500.*—Probably low since no padding whatsoever in previous items. Should have allowance for such possibilities as paying men going into armed forces for necessary services up to time of induction to avoid break in service if only few days involved, for possible inadequate provision for work involved in 20-percent pay-roll deduction procedures, for rent of field offices pending cancellation of leases, for duplicating services, and incidental technical assistance.

All members of the staff, except the nucleus administrative group outlined under "Washington administrative" (1 (b) above) have been notified that their active service with the Board will cease on June 30 or July 2, and that their appointments will be terminated at the expiration of annual leave, unless they have transferred to another Federal agency before that time. We will almost certainly need occasional service from some of the technicians who are leaving, in order to clean up their work before August 31.

PERSONNEL IN WASHINGTON AND IN THE FIELD

The CHAIRMAN. Mr. Eliot, can you tell us how much personnel the Board has remaining in Washington at this time?

Mr. ELIOT. Our personnel in Washington and in the field is about 250. We have given notice to all of the staff that their active duty will cease on June 30 or July 2, except for this small nucleus of an administrative group to wind up the affairs of the Board. Out of that 250 we think we will need to keep, for different periods of 1 to 6 months, some 25 or 30 people, mostly accountants, personnel staff, and people of that sort.

The CHAIRMAN. And how many do you have in the field at this time?

Mr. ELIOT. Of that 250, the total number in the field is 82.

Mr. TABER. How many will you have on the roll when you get through?

Mr. ELIOT. Zero.

Mr. TABER. At the end of this fiscal year?

Mr. ELIOT. As I say, we have told everybody except this nucleus group of 25 or 30 that they are out, plus their leave.

Mr. TABER. I understand that. How many will there be on the active roll after July 1?

Mr. ELIOT. Twenty-eight, sir, after July 2.

Mr. LUDLOW. For how long?

Mr. ELIOT. Some of them for 1 month, some of them for 3 months, and some of them for 6 months.

PERSONAL SERVICES FOR LIQUIDATION OTHER THAN ACCRUED LEAVE

The CHAIRMAN. I notice that your estimate of \$52,500 for other liquidation expenses includes \$2,900 for personal services of the Board and advisers for July and August. How many are involved in that?

Mr. ELIOT. That is shown on the second page of the statement, sir, the first item. The three Board members are allowed for, with a varying number of days per month, and the two advisers.

The CHAIRMAN. The estimate also includes \$35,500 for personal services of employees for 6 months, in varying numbers. That is also given here, is it not?

Mr. ELIOT. Yes, sir.

The CHAIRMAN. And \$6,400 for contingencies. What are those contingencies?

Mr. ELIOT. That is the miscellaneous item that we always have to allow something for. I have made no allowance whatever for contingencies in any of these other items. We think we ought to have something for emergencies or unforeseen developments.

ACCRUED LEAVE

The CHAIRMAN. Of course, of the \$42,500 for accrued leave, only those employees leaving the Board and not going to other Federal agencies need to be paid. If they go to other Federal agencies, their leave will go with them.

Mr. ELIOT. Yes, sir.

The CHAIRMAN. How was this amount of \$42,500 arrived at?

Mr. ELIOT. We canvassed each individual member of the staff as to his present status for transfer to other Federal agencies, or his plans to go into private employment or employment of States, or whether he would have to have more time to make the transfer.

The CHAIRMAN. As a matter of fact, will not a large part of this group be employed by other governmental agencies, and is not this a high estimate?

Mr. ELIOT. I am afraid it is not, sir. I have been over the list, name by name, several times.

The CHAIRMAN. Have you examined each employee individually to see what his plans were?

Mr. ELIOT. Yes, sir. Also there are quite a number who are going into the armed forces, and they will have to be paid their full leave. That item alone is some \$13,500.

Mr. TABER. How many of them are there that are going into the armed services who are classified high enough up so that they can get in, and how about their physical status?

Mr. ELIOT. There are 27 men on the staff who are classified I-A, II-A, II-B, or III-A with no children before Pearl Harbor. It is practically impossible to persuade any other Federal agency to take on people in those categories, because the length of their service is so uncertain, and there is no time to break them into their new duties. Also, many of these men have a considerable amount of leave due them, and the new agencies do not wish to assume that obligation. So this, I think, is the irreducible minimum.

Dr. MERRIAM. We started with a total of \$98,000 for accrued leave, did we not?

Mr. ELIOT. The total accrued leave amounts to \$98,000, according to our best estimate, and we expect to cut that by more than half by transfers to other Federal agencies.

Aside from those going into the armed services, the second group are those who are going into State, Territorial, or private employment, and quite a number of them will come into those categories, because the work which they have been doing has been directly related to those agencies.

Then there is a third group who definitely wish to retire and get out of Government service or who are so far unable to find new berths, and we have got to allow for them.

Mr. TABER. How many of them are there?

Mr. ELIOT. I do not have them broken down in these groups. I have only the list of every individual.

And, finally, there is a group who wish to take vacations before they take another job; and they have a right to the vacation. I cannot force them to take another job if they do not want to. We are doing our best to persuade them to move quickly and promptly into other agencies.

Mr. TABER. The ones who hang on the longest are the ones who are going to fare the worst in getting other jobs, probably.

Mr. ELIOT. That is the persuasion we try to use on them to hurry up and get other jobs.

Mr. TABER. Why is it necessary to keep so many on the rolls to wind up the business of the Board after the 1st of July? As long as it has got to be done, it seems that you might as well make a business of it and get it done quickly. You know, the longer you put off anything of that kind, the harder it is.

Dr. MERRIAM. I thought so myself, Mr. Taber, but Mr. Merrill has all the figures there, and they make out a pretty good case, considering the check-ups they have to make. He can give you all the details as to what they have to go through with, and Mr. Eliot can give you the formula.

Mr. ELIOT. There are two aspects of it, sir. We thought we had cut it pretty well already, when you consider that the Independent Offices Appropriations Act provides for the Board to continue for 2 whole months before this operation of winding up begins; and in this estimate we have allowed for no technical staff whatever for the Board for its last 2 months. So we have already cut faster than we would legally be required to do. We are trying to do this thing in as businesslike a manner as we can.

Mr. TABER. You do not have to go on for 6 months just because you are allowed to.

Mr. ELIOT. On this question of the personnel that we have allowed for, most of it is for 3 months. The only personnel allowed for after 3 months are Mr. Merrill and myself, part time, and a couple of secretaries. Some of those have to be around to sign those late vouchers that come in from the railroad companies and some other incidental things.

Dr. MERRIAM. I do not think there will be anything after the 31st of August except that somebody must be around to sign necessary papers and documents. Otherwise where would you go?

Mr. TABER. In a liquidating job, the quicker you get it over, the better it is for everybody. There can be no dispute about that.

Mr. ELIOT. Certainly.

Dr. MERRIAM. That will be on the 31st of August, but those little hang-overs you cannot avoid.

Mr. TABER. Why not get them all cleaned up by that time? I believe it can be done. I believe you can do that.

Mr. ELIOT. Congressman, you realize, of course, that this money which is proposed in this additional estimate is only for the payment of leave, and if we can cut that, of course the balance will revert.

Mr. TABER. I know that.

The CHAIRMAN. It is merely a matter of statistics.

Mr. ELIOT. The balance will revert, if there is a balance.

Dr. MERRIAM. I will merely say, Mr. Chairman, that Mr. Delano was not well today, and he asked me to come up in his place.

The CHAIRMAN. I wish you would express to him my regret.

MONDAY, JUNE 21, 1943.

POST OFFICE DEPARTMENT

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

STATEMENT OF CLINTON B. UTTLEY, DEPUTY FIRST ASSISTANT POSTMASTER GENERAL

Mr. LUDLOW. Mr. Uttley, you have three items here: "Compensation to postmasters," \$1,875,000; "Clerks, first- and second-class offices," \$11,750,000; and "Special delivery fees," \$1,100,000.

Will you give us a statement on these items?

COMPENSATION OF POSTMASTERS

Mr. UTTLEY. The justification of the "Compensation to postmasters" item, sir, is primarily because of the increase in the compensation to fourth-class postmasters.

Where we had estimated it to be approximately \$19,000,000, it will turn out to be approximately \$21,000,000, because of the increased cancelation of the fourth-class offices.

CLERK HIRE, FIRST- AND SECOND-CLASS POST OFFICES

Mr. LUDLOW. What is the reason for the item on the clerks?

Mr. UTTLEY. On clerk hire the estimated deficiency is \$11,750,000.

Mr. TABER. Have you been pretty liberal in putting clerks in the service?

Mr. UTTLEY. We have not been liberal enough. We are working some of our clerks 55, 60, and 65 hours a week. There is much overtime, because we cannot get them if we wanted them.

Mr. LUDLOW. How much of an increase has there been in the number of clerks during this fiscal year?

Mr. UTTLEY. There has been a decrease of about 1,000 between the figures of April of last year and March of this year. We have not been able to fill our vacancies.

Mr. LUDLOW. Then, how does this estimate come before us?

Mr. UTTLEY. It comes before you because of the excessive overtime and auxiliary time.

SPECIAL DELIVERY FEES

Mr. LUDLOW. On the item of "Special delivery fees" you have \$1,100,000. What is the explanation of that?

Mr. UTTLEY. It is the same story there. It is simply an increase in the number of articles that we are compelled to handle.

HIRE OF EXTRA CLERKS

Mr. RABAUT. I just want to ask something about the extra clerks that you hire. Is the Department remiss in the idea of taking on women?

Mr. UTTLEY. We have thousands and thousands of women now.

Mr. RABAUT. You usually prefer the men?

Mr. UTTLEY. We did. We will take anybody now that we can get who is able to stand up and do a little work. We are taking in boys from 16 to 18 years of age; we are taking in older men.

Mr. RABAUT. The draft is bothering you?

Mr. UTTLEY. Yes, sir.

Mr. RABAUT. I notice that in the Detroit district you now have the number system. Do you have that all over the country?

Mr. UTTLEY. We have that system in about 120 of the largest offices.

Mr. RABAUT. Does the committee know about that?

Mr. UTTLEY. That I do not know. It has had much publicity all over the country.

Mr. RABAUT. The purpose of that is to assist your new help?

Mr. UTTLEY. Yes; the purpose is to assist the new help.

If we can get the people to use the number system, it will prove of tremendous assistance with the inexperienced help.

Mr. RABAUT. I think the Department is to be commended for it.

Mr. UTTLEY. We are having wonderful cooperation with publishing houses and other big mailers all over the country.

As soon as we get the volume up we can put inexperienced men by the side of experienced men and probably double our effort.

Mr. RABAUT. The extra money for "Special delivery fees"; is that still divided, so much to the carrier of the message and a small amount to the Post Office Department?

Mr. UTTLEY. Yes; for example, on a 10-cent fee the messenger gets 9 cents out of the 10 cents.

Mr. RABAUT. Where does the loss come in? Why do you request the additional funds?

Mr. UTTLEY. This is caused by the increased number of deliveries. There has been an increase in the number of articles that we had to deliver. It is to pay the carriers.

Mr. RABAUT. You have collected the money on these deliveries?

Mr. UTTLEY. Yes.

Mr. RABAUT. This is to pay the carriers?

Mr. UTTLEY. They have to be paid. The Comptroller General will allow us to pay them even if we do not have an appropriation.

MONDAY, JUNE 21, 1943.

OFFICE OF SECOND ASSISTANT POSTMASTER GENERAL

STATEMENT OF HON. SMITH W. PURDUM, SECOND ASSISTANT
POSTMASTER GENERAL

Mr. LUDLOW. Mr. Purdum, we have before us six items that come under your supervision.

I want to ask you this general question: These are all obligations that have been incurred under legal liabilities?

Mr. PURDUM. Yes, sir; and they are being incurred up to June 30. The second and heaviest one is for railroad transportation and mail messenger service. There is not much that I can add about that. The railroads, of course, are carrying the mails, and the volume is very great, and is increasing instead of decreasing.

Mr. LUDLOW. I may say to the members of the committee that these are items provided for by law, and if it is satisfactory, we will ask Mr. Purdum to put a justification in the record for each item.

DISTRIBUTION OF ESTIMATE FOR RAILROAD TRANSPORTATION AND MAIL
MESSENGER SERVICE

Mr. PURDUM. I think the item I referred to can be broken down showing what the \$4,500,000 is for, and I would like to refer to one thing, if you will give me a moment.

Mr. LUDLOW. You are referring to the item for railroad transportation and mail messenger service?

Mr. PURDUM. Yes, sir. The regular railroad authorizations amount to \$2,230,311; the amount for emergency railroad service is \$1,255,744; the amount for contract service is \$18,845; the amount for temporary service is \$5,857; the amount for mail messenger service is \$1,059,959; the amount for side service is \$22,914; and the amount for cost ascertainment is \$93,630. That makes a total of \$4,593,630, and we deduct from that \$93,630 because of cost ascertainment. That will give you a net figure of \$4,500,000.

I have here a table setting out those amounts.

Mr. LUDLOW. That may be inserted in the record.

(The table referred to is as follows:)

Estimated deficiency, by items, in appropriation for railroad transportation and mail messenger service, 1943

Item	1943 original estimate on which appropriation was based	1943 present estimate of expenditure	Estimated deficiency
Regular railroad authorizations.....	\$103,863,057	\$106,093,368	\$2,230,311
Emergency railroad service.....	13,757,817	15,013,561	1,255,744
Contract service.....	133,498	152,343	18,845
Temporary service.....	2,171	8,028	5,857
Mail messenger service.....	7,616,295	8,676,254	1,059,959
Side service.....	458,532	481,446	22,914
Cost ascertainment.....	168,630	75,000	¹ 93,630
Total.....	126,000,000	130,500,000	4,500,000

¹ Overestimate due to suspension of compilation of statistical data during the first 3 quarters of the fiscal year.

Original estimate to Bureau of the Budget.....	\$126, 513, 000
Budget allowed.....	126, 000, 000
Congress appropriated.....	126, 000, 000

Mr. LUDLOW. I think it might be interesting as a matter of general illumination on this series of estimates to read into the record at this point from a statement submitted by the Acting Director of the Bureau of the Budget, Mr. Wayne Coy, as follows:

In general, the above listed estimates of appropriations are required to meet increases in personnel and expansion of postal facilities to handle a larger increase in postal business than was anticipated at the time the 1943 Budget was prepared, which was before Pearl Harbor. The unprecedented acceleration of postal facilities in the war effort, requiring the establishment and maintenance of postal facilities in connection with Army camps and the expansion of post offices in industrial areas has greatly increased the cost of postal operations.

The estimates of appropriations for the fiscal year 1943 were predicated on an estimated revenue of \$907,000,000. It is now estimated that the revenue for the fiscal year 1943 will reach \$950,000,000, or \$43,000,000 in excess of the original estimate. Furthermore, the Post Office Department is incurring additional expense for the handling of free mail for members of the armed forces (under title 9, sec. 901, Public Law No. 507, 77th Cong.) which is not reflected in the postal revenue. It is now estimated that the Department is handling annually approximately 1,900,000,000 pieces of free mail for members of the armed forces.

STAR ROUTE SERVICE

Mr. LUDLOW. For the Star Route Service, for 1943, the amount of your estimate is \$1,100,000. The appropriation for 1943 was \$12,500,000, and the amount in the 1944 bill is \$14,750,000.

Will you give us a justification for that item?

Mr. PURDUM. Yes, sir.

The amount appropriated for this service is \$12,500,000. The estimated expenditure is \$13,600,000, leaving a deficiency of \$1,100,000.

Effective July 1, 1942, Star Route contracts in the fourth contract section, comprising the Western States, were relet. The increase due to the reletting was \$548,480 in excess of the amount originally estimated and appropriated.

Due to increased operating expenses of contractors, it has been necessary after careful investigation to readvertise 1,374 routes during the first 10 months of this fiscal year where the compensation of the carriers was found to be wholly inadequate. The estimated increased cost due to the readvertising of such routes and pay for detours during the entire fiscal year will amount to approximately \$602,281. This is in accordance with the act approved May 31, 1940.

It is estimated that the net increase in cost for new routes, extensions, and increased frequency of service will amount to \$122,658 over the amount appropriated.

The increase in cost in the three above items over the amounts estimated and appropriated totals \$1,273,419.

One hundred and seventy-two thousand dollars of the amount appropriated for Highway Post Office Service was not expended. This amount, with minor reduction in estimated cost for pound-rate service, \$481, and for payment for excess weight on Star Routes by airplanes, \$938, amounts to \$173,419, which subtracted from the above-mentioned increases, \$1,273,419, results in a net increase of \$1,100,000, the amount of deficiency appropriation requested.

RAILROAD TRANSPORTATION AND MAIL MESSENGER SERVICE

Mr. LUDLOW. For railroad transportation and mail messenger service the estimate is \$4,500,000. The appropriation for 1943 was \$126,000,000, and the amount in the 1944 bill is \$118,000,000.

Will you give us a justification for this estimate?

Mr. PURDUM. Yes, sir.

Mr. Chairman, the largest deficiency appropriation we are requesting at this time is for railroad transportation and mail messenger service. The total estimated expenditure for the fiscal year 1943 is \$130,500,000, and the regular appropriation is \$126,000,000, leaving an estimated deficiency of \$4,500,000.

The major item of increase is \$2,230,311 for regular railroad authorizations. On July 1, 1942, the annual rate for regularly authorized railroad service was \$1,197,143 over that of the preceding year, and on June 5, 1943, the annual rate over the same date of the preceding year was \$12,018,905, resulting in a large increase in cost during 1943 in regular railroad transportation service.

The estimated cost of emergency railroad service is \$1,255,744 over the amount carried in the appropriation for that purpose. The increase in this item as well as the item for regular railroad transportation is due to the tremendous increase in the volume of mail carried.

Mail-messenger service shows an increase of \$1,059,959 over the amount originally estimated and is due to resignations principally on account of general increase in operating expenses of the contractors. Approximately 37 percent of the routes have been relet at higher rates.

These three major items, together with comparatively smaller increases of \$18,845 for railroad contract service, \$5,857 for temporary service, and \$22,914 for side service, total \$4,593,630.

Due to the suspension of the compilation of statistical data during the first three-quarters of the fiscal year (cost ascertainment), approximately \$93,630 of the amount appropriated for that purpose will not be used. The net increase in estimated expenditure over the amount appropriated is \$4,500,000 which is the additional amount estimated as needed for railroad transportation and mail-messenger service for the fiscal year 1943 to meet all obligations.

RAILWAY POSTAL CLERKS, TRAVEL ALLOWANCE, 1943

Mr. LUDLOW. For railway postal clerks, travel allowance, 1943, the estimate is \$29,000. The appropriation for 1943 is \$3,375,000, and you had a deficiency for 1943 of \$375,000. The amount in the 1944 bill is \$3,500,000.

Will you give us a justification for this estimate of \$29,000?

Mr. PURDUM. Yes, sir.

The amount of the regular appropriation for the fiscal year 1943 is \$3,375,000 and the estimated expenditure is \$3,779,000, leaving a deficiency of \$404,000. There is now pending in the urgent deficiency bill, H. R. 2714, a supplemental of \$375,000, which, if appropriated, will leave \$29,000 additional required.

It is estimated that the cost for substitutes-line-travel allowance will be \$51,635 more than the amount originally estimated, due to the necessity of employing additional acting clerks to handle the increased volume of mails.

Due to the lengthening of schedules and the additional trips made necessary by the 48-hour week, the cost for regular clerks-line-travel allowance will amount to \$154,541 more than the amount included in the regular appropriation.

On account of the unusual late running of trains, the increase in expenditure for extra travel allowance will be approximately \$215,871.

The three foregoing increases total \$422,047. From this total there may be deducted \$18,047, representing a decrease in the original estimate for substitutes expense accounts, resulting in a net increase of \$404,000. Since there is a supplemental pending of \$375,000, only \$29,000 additional will be needed, which is the amount of the deficiency appropriation requested at this time.

RAILWAY MAIL SERVICE, TRAVELING EXPENSES

Mr. LUDLOW. For Railway Mail Service, traveling expenses, 1943, the estimate is \$2,500. The appropriation for 1943 was \$57,500, and you had a deficiency for 1943 of \$3,000. The amount in the 1944 bill is \$67,000.

Will you give us a justification for this estimate of \$2,500?

Mr. PURDUM. Yes, sir.

The total expenditure estimated for the fiscal year 1943 is \$63,000. The regular appropriation provides \$57,500, requiring an additional appropriation of \$5,500. Of this amount \$3,000 is included in the urgent deficiency bill, H. R. 2714, now pending, leaving an additional requirement of \$2,500.

Due to the increased travel made necessary by the increase in volume of mails the expenditure for per diem for officials will be a little more than originally estimated, or \$493.

It has been necessary on account of the 48-hour week to detail some clerks to terminal railway post offices, air-mail fields, and transfer offices away from their headquarters, which involves per diem. The expenditure for these clerks will amount to an estimated \$4,897, not contemplated at the time the 1943 appropriation was considered.

In order to handle Army mails, it was necessary to detail several clerks away from their headquarters and pay them per diem. This expenditure was \$678 for which no provision was made in the appropriation.

The increases enumerated total \$6,068. A saving has been effected in the cost for moving household goods of \$568, to be deducted from the total increases of \$6,068, leaving a deficiency in the 1943 regular appropriation of \$5,500. As stated before, \$3,000 of this amount is now included in the urgent deficiency bill and the additional amount requested is only \$2,500.

RAILWAY MAIL SERVICE, MISCELLANEOUS EXPENSES, 1943

Mr. LUDLOW. For Railway Mail Service, miscellaneous expenses, 1943, the estimate is \$3,500. The appropriation for 1943 was \$430,000, and the amount in the 1944 bill is \$380,000.

Will you give us a justification for this estimate of \$3,500?

Mr. PURDUM. Yes, sir.

The amount of this appropriation is \$430,000, as against an estimated expenditure of \$433,500, a deficiency of \$3,500.

There have been a few increases and one decrease as compared with the amounts included in the regular appropriation, which I will explain as follows:

The expenditure for telegraph service will be approximately \$5,760 more than the amount originally estimated. Telephone service has also exceeded the amount estimated by \$5,783. These two items are due to the increase in the volume of mails and the recent flood in the Middle West requiring additional and emergency telephone calls and telegrams in connection with the handling of the mails. The estimated expenditure for light, water, and so forth, is \$2,590 more than appropriated for this purpose. These increases represent a total of \$14,133.

The expenditure for rents will be \$10,633 less than the original estimate, which, deducted from the total increases of \$14,133, leaves a net increase of \$3,500, the deficiency appropriation requested.

ELECTRIC-CAR SERVICE

Mr. LUDLOW. For electric-car service, 1943, the estimate is \$23,000. You had an appropriation for 1943 of \$200,000, and the amount in the 1944 bill is \$220,000.

Will you give us a justification for this estimate of \$23,000?

Mr. PURDUM. Yes, sir.

Our original estimate to the Bureau of the Budget for electric-car service, fiscal year 1943, was \$200,000. The Bureau of the Budget allowed, and the Congress appropriated, this amount.

During the several preceding years electric-car service has been a decreasing one and it was expected that these decreases would continue. Accordingly it was estimated that \$200,000 would be sufficient. However, during the fiscal year 1943 the decreases did not materialize; instead, there was an increase in service required, causing a deficiency in the appropriation for electric-car service for 1943 of approximately \$23,000, which additional amount is requested in order that all outstanding obligations may be met.

Mr. PURDUM. Mr. Chairman, may I say this: When we prepared our estimates in the fall of the calendar year 1941, it was not anticipated that we would have such a great increase in the volume of business as we have had during the current fiscal year.

MONDAY, JUNE 21, 1943.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL VEHICLE
SERVICE

STATEMENT OF HON. WALTER MYERS, FOURTH ASSISTANT POSTMASTER GENERAL

Mr. LUDLOW. There is a deficiency of \$508,195 for the vehicle service.

Mr. MYERS, we will be glad to have you make any explanation you care to make.

Mr. MYERS. Some of this goes for overtime not covered by a previous deficiency bill which came about after the amounts had been

stated, some for the transportation of things, and the rest for supplies and materials.

Mr. LUDLOW. How much of it is for overtime? I am speaking now of this estimate of \$508,195. What is the break-down of that amount? Do you have a break-down of that item?

Just give us the component part of this estimate of \$508,195.

Give us the gross deficiency and the amount carried in this bill, and the amount for overtime.

You can put that in the record.

(The statement referred to follows:)

01	Personal services (additional overtime)-----	\$110, 364
03	Transportation of things-----	268, 258
08	Supplies and materials-----	129, 573
Total-----		508, 195

MANUFACTURE OF STAMPS

Mr. LUDLOW. There is an estimate here of \$200,000 for the manufacture of stamps.

Give us a statement in the record covering this item.

Mr. NORTH. With reference to the estimate covering the item "Manufacture and distribution of stamps and stamped paper," it should be stated that the great increase in the postal revenues during the fiscal year 1943 compared with 1942 has been reflected in the sale of postage-stamped paper. For the 10-month period ending April 30, the revenue from this source was, in round numbers, \$549,000,000 compared with \$484,000,000 during the same period of 1942, an increase of 13½ percent. The quantity of stamped paper issued to postmasters during that period showed the same percentage of increase. The cost of procuring such stamped paper from the various manufacturing agencies through May 31, was \$5,300,000, which compares with expenditures of \$5,235,000 for the same period last year. It is believed that a deficiency appropriation of \$200,000 will be sufficient to meet obligations to be incurred during the remaining period of the fiscal year.

UNPAID MONEY ORDERS

Mr. LUDLOW. We have an estimate here of \$35,000 for "Unpaid money orders, 1 year old."

Give us a statement to put in the record covering this item.

Mr. NORTH. With reference to the estimate covering the item "Unpaid money orders more than 1 year old," certifications to the General Accounting Office during the 11-month period ending May 31, aggregated slightly over \$200,000, or more than \$10,000 in excess of the appropriation for this fiscal year. The disbursements have averaged somewhat in excess of \$20,000 during recent months, and on this basis it is thought that a deficiency appropriation of \$35,000 will enable the Department to meet obligations arising during the remainder of the fiscal year. The total value of all outstanding unpaid money orders at the present time exceeds \$17,500,000.

MONDAY, JUNE 21, 1943.

INVESTIGATION OF ECONOMIC DISTRESS IN PUERTO RICO

STATEMENT OF HON. DAN R. McGEHEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. McGEHEE. Mr. Chairman, I would much prefer that Mr. Bell, chairman of the Committee on Insular Affairs, make the statement to your committee this morning, but I understand that he is not feeling well and he may not be here for some days.

I am glad to appear before this committee. My statement will be in general terms because I do not want any part or any phase of it to have the appearance of prejudging anything that the committee which visited Puerto Rico and the Virgin Islands may report to Congress. I have my opinion. I am sure that the other members of the committee have their opinions. If there be differences they will be ironed out.

Senate 981 was introduced in the Senate, following a visit to the areas by a subcommittee of the Senate Committee on Territories and Insular Affairs. A subcommittee of the House Committee on Insular Affairs was sent to Puerto Rico to make an investigation and report back their recommendations to the Congress for the future handling of the affairs of Puerto Rico.

The placing of a limitation of 5 months in this bill is a stopgap which would allow sufficient time for this subcommittee to make its investigation and report to the Congress.

It developed in our hearings that there is quite a large number of unemployed in Puerto Rico. I cannot give you the exact number, but I think there is around 40,000 at present being employed.

General FLEMING. About 41,000.

Mr. McGEHEE. About that number.

Someone has said that about 65 percent of the projects down there are of most value to the Army or the Navy. I think that is true.

Investigation throughout the island showed that road construction formed the major part of the work. This was needed in the event of an invasion of the island so as to have quick transportation of our armed forces back and forth. In the past few years the Government has black-topped some cross-country roads, but they are now straightening and widening the roads. They are doing a good job.

I may make this direct statement. I believe that the members of the committee will bear me out. I think it is necessary to pass this legislation for this stopgap period of 5 months. I may say this: While I am not speaking for the committee, I am just expressing my own opinion. I believe that the majority of the committee feel that it is necessary to continue this appropriation, as we have recommended before, at the expiration of which time the committee will be in a position to make some very constructive recommendations as to what should be done thereafter. It may be 4 or 5 months before we will be able to submit our recommendations to the Congress. There is much work to be done. We had two reporters with us. We worked long hours. We worked until late every night. It will take the stenographers a long time to prepare the record, and then it will take us some time to read it over.

The CHAIRMAN. In view of these facts it will likely be some time in September before the full and complete report is ready.

Mr. McGEHEE. I may make this general statement. I think a majority of the committee, maybe all of the committee, will agree with me when I say that we are going to make every effort to be most constructive in our recommendations. I think we will make a recommendation which will change this present relief structure. In the event of aid to Puerto Rico I think the work should be of a different type—for instance, schools, sewerage, and water systems. In fact, there should be an absolute rehabilitation of their sanitary system throughout the island. This seems to be the cause of so much sickness and the present death rate.

I have made a general statement and have tried not to commit the committee of which I am a member on anything. I do not know just what the committee is going to say.

If you gentlemen wish to ask me any questions I will be glad to answer them, if I can.

The CHAIRMAN. One thing that we are interested in is the matter of employment of labor in Puerto Rico and the Virgin Islands. Does W. P. A. employment curtail the amount of labor available to the regular industries and to that extent reduce the amount of tobacco and sugar produced in those islands?

Do you think that the granting of this \$8,000,000 would curtail the production of sugar and tobacco in those areas?

Mr. McGEHEE. I started to go into that phase of the question, but I did not finish.

I am very glad to answer that question. Insofar as the sugarcane industry is concerned, it will not be affected by such employment for the next 5 months because the season will close on July 1. In the hearings it developed that several sugar men with whom we talked—we could not talk with all of them—said that they were unable, in many instances, to get labor to harvest their crops. While out one day investigating labor conditions on plantations, I saw several hundred acres of cane that will not be cut this season on account of labor shortage and within 2 or 3 miles' distance I saw some 2,000 people on a road project of the W. P. A. It did develop, however, that those in charge of the road construction had submitted to the cane growers the names of those people working on the W. P. A. and they not only promised to release them for work on the cane plantations but said that if the men refused they would be given no further employment.

The CHAIRMAN. If they were offered employment by the sugar people and they did not accept they would be taken off the W. P. A. rolls?

Mr. McGEHEE. I found that to be uniformly true. If they were wanted for work on the sugar plantations they would be immediately released from the W. P. A. work.

The CHAIRMAN. You found complete cooperation on the part of the W. P. A. officials with local industries?

Mr. McGEHEE. Yes; we did.

Mr. JOHNSON of Oklahoma. Do you know what wages they pay?

Mr. McGEHEE. The W. P. A. pay around \$1.60 a day. I am speaking in round figures.

On the cane plantations the pay figures around \$1.80 or \$1.90 a day. The cane growers feel that the men would rather work on the W. P. A. than on the cane plantations.

The CHAIRMAN. With this arrangement, whereby people are discharged from the W. P. A. if they fail to accept private employment, would you say that the appropriation of this \$8,000,000 would militate against production on the island?

Mr. McGEHEE. No.

The cane season starts again after our Christmas holidays.

The tobacco industry is practically wrecked in Puerto Rico. It must be completely rehabilitated.

The people down there are now living in swamp sections. They build little shacks on the water fronts.

The tobacco industry must be rehabilitated. The statement was made to me, not in the hearings, but by businessmen in conversations with them that a large percentage of these people whom we found living in these little shacks on the water front, in the swamps, were formerly employed in the tobacco industry.

Mr. LUDLOW. Did you find malnutrition among the people? Is it bad?

Mr. McGEHEE. No; I did not see anything like that. They looked as well and generally as healthy as the people back in my State of Mississippi or any other place where they are living under similar conditions.

Mr. LUDLOW. What is their diet?

Mr. McGEHEE. The working class of people, the lower-income class of people, are accustomed to a certain diet.

I will give you an illustration which I think will cover the entire question. I talked with a Mr. Lopez. His father had a sugar mill. He owned only about 1,500 acres of land and bought cane from the farmers to supply his mill production. The father died and the son returned from New York City to take charge of the estate. He told me about his servants. He said that after 4 or 5 months down there he noticed that his cook and one or two of his other servants were losing weight. He said he noticed they were getting weak and, finally, he and his wife said to the cook: "What is the matter, you are losing weight?" The cook replied: "I do not like your food." This man said that they were having food such as they would have in New York City—steaks, and so forth. The cook did not like that food, and was not eating it. Lopez said that he had to go out and buy potatoes, beans and rice, and let the servants fix their own meals separately.

They seemed to have plenty of these things on the island. They can raise fine potatoes. They are not like our potatoes. They are not as sweet but very nutritious. They have a certain type of banana that they cook and eat also very nutritious.

I took one day off, got a car, and drove into the country. I stopped at one of these little hovels—one room, it was about 16 feet by 18 feet, and was divided for two families. I went in. There were three little children. I remember there was a little fire, with a pot on the fire. There was nothing but black beans and rice being cooked. That was their principal meal and that would last them all day.

From my investigation the lower-income class would have to cultivate a taste to eat food such as we consume.

Mr. RABAUT. They do not have a well-balanced diet?

Mr. McGEHEE. They do not.

Mr. TABER. Do they seem to be well-nourished?

Mr. McGEHEE. Apparently so.

The CHAIRMAN. Are there any further inquiries of Mr. McGehee?

Mr. TABER. There seems to have been all the way through the period when the sugar season was on, the last 4 or 5 months, a very marked increase in the number of employees of the W. P. A.

Did you have an opportunity to ask why they did not take more of these W. P. A. employees—that is, why the sugarcane people did not take more of them?

Mr. McGEHEE. No. The cane people seemed to think that a great many of these people would rather work on the W. P. A. at less money per day than to work in the canefields.

Mr. RABAUT. Did anybody bring up the question of bottoms to ship the cane out of there?

Mr. McGEHEE. Yes.

Mr. RABAUT. Would that not be a reason for not getting the men?

Mr. McGEHEE. A few of the sugar men, say two or three of them, stated that they had all the available workers in the fields necessary.

Our Government is purchasing all of the raw sugar product and shipping it out of the country.

Mr. RABAUT. They have started again to ship it out?

Mr. McGEHEE. Yes.

Mr. RABAUT. Are they getting bottoms down there now?

Mr. McGEHEE. There is not so much trouble.

Mr. RABAUT. It is better than before?

Mr. McGEHEE. What Puerto Rico needs, gentlemen, is priorities for certain essential materials to aid them in real worth-while work. That is the construction of projects so necessary for the permanent development of the island.

Mr. RABAUT. I am glad the gentleman says that.

Mr. McGEHEE. That is the reason they must construct roads. They have that material there.

Mr. RABAUT. What about the production of cement down there?

Mr. McGEHEE. I do not think that question was ever asked. If the question was asked, I was not present at the time. I gathered the impression that they practically manufacture enough to take care of their needs.

Mr. RABAUT. You mean cement?

Mr. McGEHEE. Yes, sir. They have rock and everything else available to amply supply the two cement plants on the island.

I am not pessimistic about the future of Puerto Rico at all. I can visualize a wonderful future for the island if our Government will foster a program of harmony, and the cooperation of its people thereby getting rid of a lot of strife and internal trouble and dissension. Then local people would begin the reinvesting of their capital and new industries begin to open up which the Island needs so badly to give employment to the people.

We will always have to contribute to Puerto Rico, but it is my personal opinion that the day will come when we will not have to contribute so much. We contribute nearly 50 percent of their taxes. It goes into the general fund of their treasury, whatever contribution we make should be earmarked for permanent improvements, such as schools, hospitals, sanitation, and so forth. They have some three hundred or four hundred trust funds created from local taxes that should be used for general purposes, in most instances.

The CHAIRMAN. Thank you, Mr. McGEHEE.

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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued July 7, 1943, for actions of Tuesday, July 6, 1943)

(For staff of the Department only)

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SENATE

1. Commodity Credit; subsidies. Passed with amendments H. J. Res. 147, to increase CCC's borrowing power, continue it as a U. S. agency, etc. (pp. 7313-29, 7342-55).

Sens. Wagner, Barkley, Maloney, Taft, and Danaher (p. 7355), and Reps. Steagall, Spence, Brown of Ga., Patman, Wolcott, Crawford, and Gamble (pp. 7386-87) were appointed conferees.

The Senate agreed to amendments by Sen. Taft, Ohio, to authorize CCC to pay losses resulting from purchases (p. 7313); providing that commitments heretofore made for purchases for sale at loss, not fulfilled prior to July 1, 1943, shall be paid from the \$175,000,000 (p. 7313); permitting the \$175,000,000 to cover 1944 crops to continue the 1943 program (pp. 7313-16) -- amendments to Sec. 5 of the committee amendment. Agreed, 32-31, to the amended committee amendment (p. 7326), which provides for continuation of subsidies, etc.

Agreed to Sen. Taft's substitute for Sec. 6, on grade labeling, etc. (pp. 7326-27).

Then agreed, 33-32, to Sen. Shipstead's (Minn.) motion to reconsider the vote on Sec. 5 (p. 7342), and then rejected the amendment, 31-33 (p. 7343).

Rejected the joint resolution, 29-36 (p. 7343). Sen. Taft moved to reconsider the vote by which the measure was rejected, and Sen. McKellar, Tenn., moved to lay that motion on the table; the McKellar motion was rejected, 32-33 (p. 7344). Rejected, 8-55, a motion by Sen. O'Mahoney, Wyo., to recommit the proposal (p. 7354). Agreed, 36-23, to an amendment by Sen. Danaher (Conn.) to prohibit use of CCC funds for roll-backs, amended (at the suggestion of Sen. Tydings, Md., to prohibit use of any Government funds for this purpose (pp.

pp. 7354-55). The joint resolution was then passed without a record vote.

In the House Rep. Cannon, Mo., asked that the Senate amendments be considered on the floor, but the measure was sent to conference instead (p. 7387).

2. Housing. Began debate on H. R. 2936, to authorize additional appropriations for defense housing (pp. 7357-63). Agreed to the committee amendment, providing that none of the funds shall be used for the operation of day-care or extended-school services for children of mothers employed in war areas if and when the War-Area Child-Care Act of 1943 (S. 1130) becomes law (p. 7360). Agreed to Sen. Vandenberg's amendment, providing that no funds for the maintenance or operation of public schools in any State shall be made without prior consultation with the State department of education and U. S. Office of Education (p. 7361). Agreed to Sen. Taft's amendment, providing that none of the funds shall be used to acquire public works already operated by public or private agencies and that the total amount allocated for contributions to public and private agencies for public works maintenance and operation, after July 1, 1943, shall not exceed \$40,000,000 (p. 7362).
3. Interior appropriation bill. Agreed to second conference report on this bill, H. R. 2705 (pp. 7354-56). Agreed to motion to concur in the House amendments in items reported in disagreement. This bill will now be sent to the President.
4. Small business; poultry. Sen. Stewart, Tenn. submitted an additional report from the Special Committee to Study and Survey Problems of American Small Business relating to the poultry market (S. Rept. 12, Pt. 3) (pp. 7311-12).
5. Transportation. Commerce Committee reported with an amendment H. R. 2912, to authorize the charging of tolls for the passage or transit of Government traffic over the Golden Gate Bridge (S. Rept. 400) (p. 7311).
6. BEW-EFC controversy. Sen. Bridges, N. H., inserted several statements on this subject (pp. 7329-41).
7. War relocation. Agreed as reported to S. Res. 166, relating to segregation of loyal and disloyal Japanese in relocation centers and plans for future operation of such centers (pp. 7363-64).

HOUSE

8. Second deficiency appropriation bill. Received the conference report on this bill, H. R. 3030 (pp. 7387-88). The report provides \$20,000 for the Byrd Committee to investigate the penalty mail situation as provided in the Treasury Post Office Appropriation Act; \$17,000,000 for GPO; \$29,500 for WRPB; for striking out the Bituminous and child-care items; \$50,000,000 for war public works (community facilities); \$12,000,000 for the Inter-American Highway; \$100,000,000 for war housing; \$10,000,000 for War Department flood control works for judgments and claims; and that funds shall be available from July 1, 1943. The following items were reported in disagreement:
Preparation and distribution of the Government Manual; flood relief for farmers in areas flooded in 1943; and the ECIC item appropriating \$4,318,748 and repealing the proviso in the agricultural appropriation bill prohibiting new contracts, etc.
9. War agencies appropriation bill. Received the conference report on this bill, H. R. 2869 (p. 7387). The conferees reported in disagreement the provision pro-

SECOND DEFICIENCY APPROPRIATION BILL, 1943

JULY 6, 1943.—Ordered to be printed

Mr. CANNON of Missouri, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3030]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, 10, 11, 12, 13, 14, 28, 29, 30, and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 16, 17, 19, 20, 21, 22, 23, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, and 61; and agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In line 5 of said amendment strike out the figure "\$75,000,000" and insert in lieu thereof \$50,000,000 and in line 8 strike out "\$3,375,000" and insert in lieu thereof \$2,250,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In line 5 of said amendment strike out the figure "\$150,000,000" and insert in lieu thereof \$100,000,000; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows:

In line 6 of said amendment, after the word "expended" and before the comma, insert the following: *and to be allocated to the Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Texas;* and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 9, 24, 25, 26, and 27.

CLARENCE CANNON,
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J. BUELL SNYDER,
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JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
GERALD P. NYE,
RUFUS C. HOLMAN,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

LEGISLATIVE

No. 1: Appropriates \$20,000 to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out duties imposed by section 601 of the Revenue Act of 1941, and section 204 of the Treasury-Post Office Appropriation Act, 1944, as proposed by the Senate.

Nos. 2, 3, 4, and 5, relating to the Government Printing Office: Appropriates \$17,000,000 for working capital and congressional printing and binding, fiscal year 1944; increases the amount available for printing, binding, and distribution of the Federal Register to \$430,000, fiscal year 1943; and strikes out the proposed payment to messengers on night duty, totaling \$2,400, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1943.

EXECUTIVE OFFICE OF THE PRESIDENT

Nos. 6 and 7: Appropriates \$29,500 for salaries and expenses, National Resources Planning Board, as proposed by the House, instead of \$42,500, as proposed by the Senate; and provides that not more than \$37,000 shall be available for salaries (other than to pay annual leave), as proposed by the House, instead of \$50,000, as proposed by the Senate.

INDEPENDENT EXECUTIVE AGENCIES

No. 10: Strikes out the proposal of the Senate appropriating \$65,000 for salaries and expenses, Bituminous Coal Consumers' Counsel, fiscal year 1944.

Nos. 11, 12, 13, and 14: Strikes out the proposal of the Senate providing \$20,000,000 for war-area child-care payments to States, local public authorities, and other agencies, and \$450,000 for salaries and expenses, necessary to carry out the war-area child-care program proposed to be administered by the Federal Security Agency; and eliminates the provision of the Senate making such appropriations dependent upon the enactment of the bill (S. 1130) to provide for care of children of mothers employed in war areas in the United States, and for other purposes.

FEDERAL WORKS AGENCY

No. 15: Appropriates \$50,000,000 for war public works (community facilities), instead of \$75,000,000, as proposed by the Senate; of which \$2,250,000 is made available for administrative expenses, instead of \$3,375,000, as proposed by the Senate.

No. 16: Appropriates \$12,000,000 for use by the Public Roads Administration in connection with the Inter-American Highway, as proposed by the Senate.

NATIONAL HOUSING AGENCY

Nos. 17, 18, and 19: Appropriates \$100,000,000 for war housing, instead of \$150,000,000, as proposed by the Senate; and provides that not exceeding \$7,000,000 of the unexpended balance of the appropriation under "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942, shall be continued available until June 30, 1944, as proposed, by the Senate.

DISTRICT OF COLUMBIA

Nos. 20, 21, 22, and 23: Appropriates \$68,000 as an additional amount for support of indigent insane of the District of Columbia in St. Elizabeths Hospital, fiscal year 1943; provides \$2,916.86 for the payment of final judgments; and provides for the division of expenses in connection with such items; all as proposed by the Senate.

DEPARTMENT OF THE INTERIOR

Nos. 28, 29, 30, and 31: Strikes out the proposals of the Senate to appropriate \$1,100,000 for the Bituminous Coal Division, and \$25,000 for the Patrick Henry National Monument, under the National Park Service.

NAVY DEPARTMENT

Nos. 32 and 33: Inserts additional funds for the payment of claims for damages by collision with naval vessels, contained in Senate Document 82, as proposed by the Senate.

Nos. 34 and 35: Provides additional funds under the Coast Guard for the payment of claims for damages, operation of vessels, contained in Senate Document 81, as proposed by the Senate.

TREASURY DEPARTMENT

No. 36: Appropriates \$800,000, fiscal year 1944, to the Bureau of Accounts, for salaries and expenses, deposit of withheld taxes, as proposed by the Senate.

WAR DEPARTMENT

Nos. 37, 38, 39, 40, 41, 42, 43, and 44: Appropriates \$7,095,000 for rivers and harbors work, as proposed by the Senate, amended to require allocation of the funds to the intracoastal waterway from the vicinity of Apalachee Bay to Corpus Christi, Tex.; provides \$4,385,000 for the prosecution of a dam and reservoir project on Mosquito Creek,

Ohio, as proposed by the Senate; and appropriates \$10,000,000 for flood control, general (emergency fund), as proposed by the Senate. Appropriates \$80,820 for maintenance and operation of the United States Soldiers' Home, 1944, as proposed by the Senate; and provides that appropriations for the Military Establishment and for civil functions, fiscal year 1944, shall be available for carrying into effect the act to provide for the settlement of claims for damage to, or loss or destruction of, property, and so forth, approved July 3, 1943, as proposed by the Senate.

TITLE II—JUDGMENTS AND AUTHORIZED CLAIMS

Nos. 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, and 60: Appropriates funds for the payment of judgments and authorized claims as submitted to the Senate in sundry Senate documents, all as proposed by the Senate.

TITLE III—GENERAL PROVISIONS

No. 61: Provides that all appropriations and authority, with respect to appropriations for the fiscal year 1944, shall be available from and including July 1, 1943, as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

No. 8, relating to the preparation and distribution to the public of the United States Government Manual under the Office of War Information.

No. 9, relating to the transfer of equipment, tools, and machinery heretofore used by the National Youth Administration to States or State boards for vocational education.

Nos. 24, 25, and 26, relating to aid and the temporary rehabilitation of farmers, in areas flooded in 1943.

No. 27, relating to appropriations for development of airports started by the Work Projects Administration, Office of Administrator of Civil Aeronautics, Department of Commerce.

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JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.





Let me say that the amendment to this resolution was adopted on the floor of the Senate under very unusual circumstances. It makes no provision for carrying out obligations that have been made and that have accrued down to this time in connection with the administration of this particular phase of the Price Control Act. The conferees, I am sure, will undertake in good faith to work out some solution of this problem that will meet the views of the House if the bill is sent to conference.

Mr. WOLCOTT. Mr. Speaker, we have a not unusual situation before us. I know that it is tiresome to talk about this subsidy program any more. The issues are pretty clear. I do not think there is anyone in the House who is any more opposed to the payment of subsidies than I. I do think, however, that the orderly procedure is to send this bill to conference. I say that for several reasons. If we were to accept immediately the Senate version of this bill, in the face of the dispute which has been going on here for weeks about it, we would be charged with acting not finally on the measure, but we would be charged with acting upon the measure without giving due consideration to the language of the Senate bill. There are very few of us who know what the Senate has provided for in the bill, but it does seem to me that the language in the Senate bill is much more rigid than the language in the bill which the President has vetoed.

I think we should have an opportunity to study this out in conference and to report back to this House the result of the conference which we will have on the question and have at least 1 hour of debate on whether the House should accept the Senate language or any modification of it which we agree upon.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CANNON of Missouri. Would not the gentleman be willing for this to go over until tomorrow morning, so that the Members of the House might have an opportunity in the meantime to study the Senate amendments?

Mr. WOLCOTT. I might say to the gentleman that I do not have any jurisdiction over the matter before the House tonight, which is whether we will suspend the rules and send the bill to conference. I do not think I would be in favor of the gentleman's suggestion, for this reason: We are anxious to recess this House when these controversial matters are out of the way. If we send this bill to conference tonight, as it is hoped we will, we will then be able to work on this either tonight or tomorrow morning and report this matter back to the House and save at least 1 full day. If we do not send this bill to conference tonight, if we send it to conference tomorrow, then the gentleman knows much better than I do that under the rules of the House we cannot take it up until the following day. So I think the proper thing to do is to send this bill to conference now.

Mr. CANNON of Missouri. Would not a half day be a small matter when so vital a national interest is concerned? The Members have not had opportunity to see the amendment. We are asked to vote in a very arbitrary way on suspension of the rules, a very unusual procedure on a matter we have had no opportunity to study.

Mr. WOLCOTT. Mr. Speaker, I do not yield further. It is a procedure which we have adopted, and it is not nearly as stringent and arbitrary as the gentleman's procedure, which would compel us to accept or vote down immediately the Senate amendments.

Mr. ROBSION of Kentucky. Will the gentleman yield to me?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Do I understand that in voting on this motion we do not either vote for or against, or commit ourselves for or against, subsidies?

Mr. WOLCOTT. The gentleman is correct.

Mr. ROBSION of Kentucky. It is merely to send the bill to conference to try to work out something to adjust the matter?

Mr. WOLCOTT. The gentleman is correct, and we will save at least 1 full day.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SUMNERS of Texas. We understand if this is sent to conference the conferees will begin to work immediately upon the things contained in these amendments, and come back and report as quickly as they can?

Mr. WOLCOTT. That is correct. If we do not send it to conference tonight it will be impossible to take it up, under the rules of the House, until the following day.

The SPEAKER. The question is, Will the House suspend the rules and pass the resolution?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the resolution was agreed to.

The SPEAKER. The Chair appoints the following conferees: Mr. STEAGALL, Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE.

Hour of Meeting Tomorrow

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAMSPECK. Mr. Speaker, the conferees on the war agencies appropriation bill and the last deficiency bill will have a report ready early in the morning. I therefore ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection?

Mr. KENNEDY. Mr. Speaker, I object.

WAR AGENCIES APPROPRIATION BILL AND SECOND DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORTS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file conference reports on the war agencies appropriation bill and the second deficiency appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The conference reports are as follows:

CONFERENCE REPORT ON WAR AGENCIES APPROPRIATION BILL

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 33 and 34 to the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have been unable to agree.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
Managers on the part of the House.
KENNETH MCKELLAR,
CARL HAYDEN,
GERALD P. NYE,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

CONFERENCE REPORT ON SECOND DEFICIENCY APPROPRIATION BILL

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, 10, 11, 12, 13, 14, 28, 29, 30, and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 16, 17, 19, 20, 21, 22, 23, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, and 61; and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In line 5 of said amendment strike out the figure "\$75,000,000" and insert in lieu thereof "\$50,000,000" and in line 8 strike out "\$3,375,000" and insert in lieu thereof "\$2,250,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In line 5 of said amendment strike out the figure "\$150,000,000" and insert in lieu thereof "\$100,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In line 6 of said amendment, after the word

"expended" and before the comma, insert the following: "and to be allocated to the Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Texas"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 9, 24, 25, 26, and 27.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
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W. P. LAMBERTSON,
Managers on the part of the House.
KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
GERALD P. NYE,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

LEGISLATIVE

No. 1: Appropriates \$20,000 to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out duties imposed by section 601 of the Revenue Act of 1941, and section 204 of the Treasury-Post Office Appropriation Act, 1944, as proposed by the Senate.

Nos. 2, 3, 4, and 5, relating to the Government Printing Office: Appropriates \$17,000,000 for working capital and congressional printing and binding, fiscal year 1944; increases the amount available for printing, binding, and distribution of the Federal Register to \$430,000, fiscal year 1943; and strikes out the proposed payment to messengers on night duty, totaling \$2,400, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1943.

EXECUTIVE OFFICE OF THE PRESIDENT

Nos. 6 and 7: Appropriates \$29,500 for salaries and expenses, National Resources Planning Board, as proposed by the House, instead of \$42,500, as proposed by the Senate; and provides that not more than \$37,000 shall be available for salaries (other than to pay annual leave), as proposed by the House, instead of \$50,000, as proposed by the Senate.

INDEPENDENT EXECUTIVE AGENCIES

No. 10: Strikes out the proposal of the Senate appropriating \$65,000 for salaries and expenses, Bituminous Coal Consumers' Council, fiscal year 1944.

Nos. 11, 12, 13, and 14: Strikes out the proposal of the Senate providing \$20,000,000 for war-area child-care payments to States, local public authorities, and other agencies, and \$450,000 for salaries and expenses, necessary to carry out the war-area child-care program proposed to be administered by the Federal Security Agency; and eliminates the provision of the Senate making such appropriations dependent upon the enactment of the bill (S. 1130) to provide for care of children of mothers employed in war areas in the United States, and for other purposes.

FEDERAL WORKS AGENCY

No. 15: Appropriates \$50,000,000 for war public works (community facilities), instead of \$75,000,000, as proposed by the Senate; of which \$2,250,000 is made available for administrative expenses, instead of \$3,375,000, as proposed by the Senate.

No. 16: Appropriates \$12,000,000 for use by the Public Roads Administration in connection with the Inter-American Highway, as proposed by the Senate.

NATIONAL HOUSING AGENCY

Nos. 17, 18, and 19: Appropriates \$100,000,000 for war housing, instead of \$150,000,000, as proposed by the Senate; and provides that not exceeding \$7,000,000 of the unexpended balance of the appropriation under "Emergency fund for the President, defense housing," contained in the Third Supplemental National Defense Appropriation Act, 1942, shall be continued available until June 30, 1944, as proposed by the Senate.

DISTRICT OF COLUMBIA

Nos. 20, 21, 22, and 23: Appropriates \$68,000 as an additional amount for support of indigent insane of the District of Columbia in St. Elizabeths Hospital, fiscal year 1943; provides \$2,916.86 for the payment of final judgments; and provides for the division of expenses in connection with such items; all as proposed by the Senate.

DEPARTMENT OF THE INTERIOR

Nos. 28, 29, 30, and 31: Strikes out the proposals of the Senate to appropriate \$1,100,000 for the Bituminous Coal Division, and \$25,000 for the Patrick Henry National Monument, under the National Park Service.

NAVY DEPARTMENT

Nos. 32 and 33: Inserts additional funds for the payment of claims for damages by collision with naval vessels, contained in Senate Document 82, as proposed by the Senate.

Nos. 34 and 35: Provides additional funds under the Coast Guard for the payment of claims for damages, operation of vessels, contained in Senate Document 81, as proposed by the Senate.

TREASURY DEPARTMENT

No. 36: Appropriates \$800,000, fiscal year 1944, to the Bureau of Accounts, for salaries and expenses, deposit of withheld taxes, as proposed by the Senate.

WAR DEPARTMENT

Nos. 37, 38, 39, 40, 41, 42, 43, and 44: Appropriates \$7,095,000 for rivers and harbors work, as proposed by the Senate, amended to require allocation of the funds to the Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Tex.; provides \$4,385,000 for the prosecution of a dam and reservoir project on Mosquito Creek, Ohio, as proposed by the Senate; and appropriates \$10,000,000 for flood control, general (emergency fund), as proposed by the Senate. Appropriates \$80,820 for maintenance and operation of the United States Soldiers' Home, 1944, as proposed by the Senate; and provides that appropriations for the Military Establishment and for civil functions, fiscal year 1944, shall be available for carrying into effect the act to provide for the settlement of claims for damage to, or loss or destruction of, property, and so forth, approved July 3, 1943, as proposed by the Senate.

TITLE II—JUDGMENTS AND AUTHORIZED CLAIMS

Nos. 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, and 60: Appropriates funds for the payment of judgments and authorized claims as submitted to the Senate in sundry Senate documents, all as proposed by the Senate.

TITLE III—GENERAL PROVISIONS

No. 61: Provides that all appropriations and authority, with respect to appropriations for

the fiscal year 1944, shall be available from and including July 1, 1943, as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

No. 8, relating to the preparation and distribution to the public of the United States Government Manual under the Office of War Information.

No. 9, relating to the transfer of equipment, tools, and machinery heretofore used by the National Youth Administration to States or State boards for vocational education.

Nos. 24, 25, and 26, relating to aid and the temporary rehabilitation of farmers, in areas flooded in 1943.

No. 27, relating to appropriations for development of airports started by the Work Projects Administration, Office of Administrator of Civil Aeronautics, Department of Commerce.

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R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
Managers on the part of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TROUTMAN (at the request of Mr. SCOTT), indefinitely, on account of death of father.

To Mr. MALONEY, for the balance of the week, on account of urgent business reasons.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 59. Joint resolution authorizing the President of the United States of America to proclaim Armed Services Honor Day for the recognition and appreciation of the patriotic devotion to duty of all members of all branches of the armed military and naval forces of the United States of America; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 35. An act to authorize the use for war purposes of silver held or owned by the United States; and

S. 1252. An act to amend the act of August 11, 1939 (53 Stat. 1418), as amended by the act of October 14, 1940 (54 Stat. 1119), relating to water conservation and utilization projects.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6. An act to authorize the Secretary of Agriculture to adjust titles to lands acquired by the United States which are subject to his administration, custody, or control;

H. R. 249. An act for the relief of Gertrude Ricketts;



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued July 8, 1943, for actions of Wednesday, July 7, 1943)

(For staff of the Department only)

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SENATE

1. Corn acquisition. Passed with amendments S. J. Res. 71, which authorizes govern-
mental and other agencies to acquire corn at \$1.40 a bushel (pp. 7396-403). ~~Agreed~~
Agreed to the committee amendment with a clarifying amendment to delete "and"
(p. 7397). Rejected an amendment by Sen. Danaher, Conn., to insert the Thomas
bill, S. 1088, to prevent the sale of U. S.-held cotton at less than 23 1/2 ¢
a pound and to permit sale of such cotton at 25¢ or more a pound without regard
to the law limiting sales to 300,000 bales a month and 1,500,000 a year; Sens.
Smith and Thomas opposed inclusion of this bill as an amendment to S. J. Res.
7400-2). Sen. Byrd, Va., inserted a letter from OPA discussing the corn short-
age (p. 7403).
2. A. A. A.; grants-in-aid. Passed with amendment H. R. 1396, which requires
Government agencies distributing to farmers seeds, fertilizers, soil-condition-
ing materials, etc., to comply with inspection laws of the States in which such
material is distributed (p. 7425). Agreed to an amendment by Sen. Thomas,
Okla., to exempt fertilizer distributed for experiments by TVA.
3. Price control. Passed without amendment S. J. Res. 74 (introduced the same day
by Sen. Barkley, Ky.) postponing until Oct. 15 the effective date of the pro-
viso in the war agencies appropriation bill requiring OPA officials to be
experienced in business, etc. (p. 7396).

4. Small business. Passed as reported S. 883, providing for an Assistant Secretary of Commerce for Small Business (pp. 7432-33).
5. Public-lands investigation. Sen. McCarran, Nev., submitted a partial report on administration and use of the public lands (S. Rept. 404) (p. 7395).
6. Housing. Passed, 63-4, with amendments H. R. 2936, to authorize additional appropriations of \$200,000,000 for defense housing (pp. 7391-94). Later the House agreed to the amendments (pp. 7467-70). This bill will now be sent to the President.
7. Claims; frauds. H. R. 1203, to eliminate private suits for penalties and damage arising out of frauds against the U. S., was made the unfinished business (p. 7425).
8. War agencies appropriation bill. Agreed to the conference report on this bill, H. R. 2968, and acted on item reported in disagreement (pp. 7423, 7459-61). The House later agreed to a motion by Rep. Cannon, Mo., to insist on disagreement to the Senate amendment prohibiting use of these funds for war-agency salaries of \$4,500 or more unless such persons have been appointed by the President and confirmed by the Senate, after rejecting, 170-176, a motion by Rep. Eberharter, Pa., to concur (p. 7460). Both Houses appointed conferees for a further conference (pp. 7423, 7482).

HOUSE

9. Second deficiency appropriation bill. Both Houses agreed to the conference report on this bill, H. R. 3030 (pp. 7436-39) and acted on items in disagreement (pp. 7420-23, 7440-59). Both Houses agreed to a motion by Rep. Cannon, Mo., to concur in the Senate amendment removing the restriction on preparation and distribution of the Government Manual with an amendment to insert a provision allowing OPA until Aug. 16, 1943, to make adjustments under the provision "prohibiting the employment of employees without business experience" (p. 7440). Agreed to motions by Rep. Cannon to adhere to disagreement to the \$4,318,748 Senate comp-insurance item repealing the proviso in the agricultural appropriation bill prohibiting new contracts, etc., after rejecting, 52-123, a motion by Rep. Pace, Ga., to concur in this amendment (pp. 7445-48); and to adhere to disagreement to the flood relief for farmers in areas flooded in 1943 (pp. 7448-51).
- The Senate agreed to a motion by Sen. McKellar, Tenn., to insist on the Senate amendments reported from conference in disagreement (pp. 7421-23). Sen. McKellar, Glass, Hayden, Tydings, Russell, Nye, Lodge, and Hodman were appointed Senate conferees (p. 7423) and Reps. Cannon, Woodrum, Ludlow, Snyder, O'Neal, Robert, Johnson of Okla., Taber, Wigglesworth, Lambertson, and Ditter were appointed House conferees (p. 7482) for a further conference.
10. BEW-REC controversy. Rep. Wigglesworth, Mass., criticized Congressional action refusing an investigation of this situation (pp. 7435-36).
11. Foreign relief. Received from the President the Red Cross report on refugee and foreign war relief operations from July 1, 1940, through Apr. 30, 1943. To Appropriations Committee. (p. 7461.)
12. Transportation; roads. Both Houses agreed to the conference report on H. R. 2798, to continue U. S. aid to States in road construction by preventing lapse

In conclusion, I ask unanimous consent to have printed in the **RECORD** following my statement an editorial from the Southern California Teamster of June 30, 1943, entitled "What Price Death?"

There being no objection, the editorial was ordered to be printed in the **RECORD**, as follows:

WHAT PRICE DEATH?

The decision of Judge Thomas W. Slick in the case of the Anaconda Copper Co. placed the price of a fighting man's death at from \$100 to \$10,000.

Despite the fact that the company pleaded *nolo contendere* (no defense), and the overwhelming evidence presented showing that the company not only knew that defective wire and cable was being furnished to both American and allied armies, but that deliberate use was made of devices to fool Government inspectors, a Federal judge handed down suspended sentences and imposed fines ranging from \$100 to \$10,000 on the grounds that the case "would stop anything of a similar nature."

Estimates of the profit made by Anaconda Wire on the sale of defective wire and cable ran around \$5,000,000. Total fines imposed ran around \$31,000.

Delving back into copies of the local daily press, we were unable to find editorial comment on this case of outright sabotage. We did come across page 1 items calling for the death of union organizers at sunrise, transfer of workers who have been absent to the battle front, shooting en masse of workers who strike, and so on ad infinitum.

We did locate some small items about steel companies, ammunition firms, optical companies, and others engaged in the production of war materials who were indicted by the Antitrust Division of the Government, and the indictments quashed in order not to "prevent interruption of the war effort."

We also found quite a story about a union man, who was a welder, being sentenced to 22 months in jail for faulty work.

We now wonder whether the strong decision handed down by Judge Slick was to impress the Nation with the severity of penalty for sabotage or whether it has set a definite price on the death of our fighting men.

If it was to set a price on death, we think it was a high price judged by the standards of some of our big industries; or if it was to impress the Nation and prevent further cases of big business sabotage, we highly doubt whether any other big business is going to risk \$31,000 in fines and 1 year suspended sentences for a meager \$5,000,000.

Mr. President, I wish to express my appreciation to Senators who have permitted me to continue and have given such close attention to my remarks.

UNITED STATES DISTRICT COURT AND ATTORNEY, NORTHERN DISTRICT OF INDIANA

Mr. VAN NUYS. Mr. President, and Members of the Senate, we have just listened to an extended and rather vicious charge against the United States court in the northern district of Indiana. After these vicious charges, I should feel remiss did I not for 5 or 10 minutes give to the Members of the Senate somewhat of a picture of the situation in the northern district of Indiana.

According to the senior Senator from Washington [Mr. BONE] there are three personalities or agencies of the Government under some suspicion: First, the F. B. I.; second, perhaps the office of

United States attorney in the northern district of Indiana; and third, the judge of that court, Judge Thomas Slick. The United States attorney's office happens to be filled by an appointee or nominee of mine, Mr. Alexander Campbell, together with his assistants, Mr. Swygert and Mr. Keating. I consider the United States attorney's office for the northern district of Indiana the outstanding office of that character throughout the country. Alexander Campbell is a fearless, competent, and successful prosecutor. During the last 2 or 3 years many important cases have been sent to the northern district of Indiana for trial, and he has invariably succeeded in winning those cases.

I have no interest in the prosecutions there. I have heard more today from the Senator from Washington than I have ever heard before or known or will know again about the facts in this particular case. I have an inflexible rule to keep my hands off any pending prosecution in the district courts of Indiana or any proposed or prospective indictment. I have done so in this case; but I cannot refrain from paying a tribute to Alexander Campbell, who is one of the greatest prosecutors of those who occupy the office of United States district attorney in the United States of America.

In his closing argument, Mr. Campbell said:

Well, one of the lawyers said something about the Federal Bureau of Investigation, about the Department of Justice. We need no defense in this or any other case. The policy of my office is so clearly and distinctly known to Your Honor that it needs no defense in this court, but I want to say about the Federal Bureau of Investigation, that they are the greatest law-enforcement agency in the world. It was the Federal Bureau of Investigation who, during peacetime; yes, in this very district and in this very court, if you please, drove the gangsters from the district and from the land; they drove the bank robbers out, and there has not been a serious kidnaping since the Federal Bureau of Investigation has developed into the outstanding organization that it now is. To the Federal Bureau of Investigation also has been delegated the responsibility to investigate war frauds, and they are applying to those investigations the same fine technique, the same brilliant determination, that rid the Nation of major crimes after prohibition.

In that simple eulogy of the F. B. I., I wish wholeheartedly to join. Under the magnificent direction of J. Edgar Hoover, to me the F. B. I. is the outstanding, most wholesome, and most effective agency of the Government in the detection, prosecution, and prevention of crime. So much for the F. B. I.

Alexander Campbell, the United States attorney, in his closing plea to the court in the Anaconda case, said this:

The evidence in this case, Your Honor, presents the most grievous fraud in the history of the Nation. I say to Your Honor, in making disposition of this case, by your decision, say to them, and the rest of their kind, if there be any more war frauders, you shall not pass this way again.

Then, when asked for suggestions as to the sentences, Mr. Campbell said:

I have a recommendation. In this case the Government recommends for the de-

fendant, Anaconda Corporation, maximum fine and costs.

Of course, that was all that could be imposed on the corporation.

For the defendant, Johnson, maximum fine and imprisonment.

Which meant 10 years.

For the defendant, Hart, maximum fine and imprisonment.

Ten more years.

For the defendant, Bishop, maximum fine and imprisonment.

For the defendant, Carpenter, fine and sentence.

For the defendant, Kunkle, fine and sentence.

I do not believe the senior Senator from Washington intended to cast any aspersions or raise any doubts as to the ability and integrity of the United States attorney's office in the northern district of Indiana.

Mr. BONE. May I interrupt the Senator?

Mr. VAN NUYS. Certainly.

Mr. BONE. I had to step out of the Chamber and did not hear all the Senator said, but I am rather curious about what he has just stated. I quoted Mr. Campbell at some length in my statement, and as I recall the record, Mr. Campbell urged imprisonment. I think he did all he could in the case, so far as I can tell from the record. Was it the Senator's view that I had animadverted upon him?

Mr. VAN NUYS. No.

Mr. BONE. I think he did all he could as United States district attorney to put these men in the penitentiary, where they belong.

Mr. VAN NUYS. Judge Slick has been on the Federal bench in the northern district of Indiana for 28 years. He is 74 years of age, beyond the age of retirement. Prior to assuming the bench, he was prosecuting attorney for St. Joseph County, where South Bend is located, and also city attorney for years of the city of South Bend.

While of opposite political faith from me, I have been a friend of Judge Slick for many years. During all these years, from personal acquaintanceship and experience, I know him to be a high standing, efficient jurist, as he was an efficient and able prosecutor and city attorney. No one has ever questioned his integrity or his competency as a practicing attorney and as a distinguished jurist.

I am not defending Judge Slick's judgment in this case, but I am imploring the Members of the Senate and the press to refrain from casting even the shadow of a doubt upon the integrity, honesty, and patriotism of Tom Slick, who is my political opponent.

Mr. WILLIS. Mr. President, I rise for just a moment to endorse sincerely and wholeheartedly the statements just made by my colleague the able senior Senator from Indiana [Mr. VAN NUYS].

I am not sufficiently versed in the facts surrounding the case involving the Anaconda Copper Co. which has just been discussed by the Senator from Washington to be able to comment at length on it or to criticize any of the statements

made by the Senator, with reference to it. I do know that the administration of Mr. Alexander Campbell as district attorney for the northern district of Indiana has been of a very high order. I also know that the character, the reputation, and the judicial record of the Honorable Thomas W. Slick, judge of the United States District Court of the Northern District of Indiana, are of the very highest order. No man in Indiana is held in higher esteem.

Whatever may have been the reasoning on which he based this judgment, I do insist that it was made upon the basis of integrity, of patriotism, and the highest order of legal attainments which have consistently characterized his record of more than a quarter of a century. I, too, would not want any impression to be gained by any of my colleagues or by any members of the press that there might have been any lack of integrity, of patriotism, or of devotion to our Government in the actions of Mr. Campbell and Judge Slick in this case.

Mr. BONE. Mr. President, I have no desire to speak a second time on the issues I presented to the Senate. I content myself with saying to my colleagues who are lawyers, and to those who understand legal maxims, that the facts I presented to them today about this mournful case in Indiana come squarely within that very ancient rule of law, *Res ipsa loquitur*, which in ordinary English means, "The thing speaks for itself."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes; that the House receded from its disagreement to the amendments of the Senate Nos. 8 and 9 to the bill and concurred therein, each with an amendment, in which its requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendment of the Senate No. 27 to the bill, and that the House adhered to its disagreement to the amendments of the Senate Nos. 24, 25, and 26 to the bill.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2798) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

The message further announced that the House still further insisted upon its disagreement to the amendments of the Senate Nos. 33 and 34 to the bill (H. R. 2958) making appropriations for war

agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes.

ENROLLED BILLS SIGNED

The message also further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 986. An act to define misconduct, for compensation and pension purposes, as limited to felonious misconduct;

H. R. 997. An act to establish in the Medical Department of the Army a corps to be known as the Pharmacy Corps;

H. R. 1004. An act to relieve newspapers and periodical publications which have voluntarily suspended publication for the duration of the war from payment of second-class application fees upon resumption of publication;

H. R. 1334. An act for the relief of J. Frank Meador;

H. R. 2106. An act to provide for the acceptance on behalf of the United States of a statue of Sir William Blackstone, the work of the late Paul W. Bartlett, and for other purposes;

H. R. 2481. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes; and

H. R. 2719. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1944, and for other purposes.

SECOND DEFICIENCY APPROPRIATIONS— CONFERENCE REPORT

During Mr. BONE's speech, Mr. McKellar. Mr. President, will the Senator yield to me to submit a conference report?

Mr. BONE. I yield.

Mr. McKellar. Mr. President, I present the conference report on the second deficiency appropriations bill and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. Murdock in the chair). The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 7, 10, 11, 12, 13, 14, 28, 29, 30, and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 16, 17, 19, 20, 21, 22, 23, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, and 61; and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In line 5 of said amendment strike out the figure "\$75,000,000" and insert in lieu thereof "\$50,000,000", and in line 8 strike out "\$3,375,000" and insert in lieu thereof "\$2,250,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amend-

ment of the Senate numbered 18, and agree to the same with an amendment, as follows: In line 5 of said amendment strike out the figure "\$150,000,000" and insert in lieu thereof "\$100,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In line 6 of said amendment, after the word "expended" and before the comma, insert the following: "and to be allocated to the Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Texas"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8, 9, 24, 25, 26, and 27.

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Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McKellar. I move that the conference report be agreed to.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3030, which was read as follows:

IN THE HOUSE OF
REPRESENTATIVES, UNITED STATES,
July 7, 1943.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 8 to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, and concur therein with an amendment, as follows:

Before the matter inserted by said amendment insert:

"OFFICE OF PRICE ADMINISTRATION

"The eighth proviso in the paragraph under the caption 'Office of Price Administration,' contained in the National War Agencies Appropriation Act, 1944, shall not take effect until August 16, 1943";

That the House recede from its disagreement to the amendment of the Senate No. 9 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"WAR MANPOWER COMMISSION

"National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-

Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235, by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any State or other public vocational education authority may continue to be so used during the period of the present war and for not to exceed 6 months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period, the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any State or other public vocational education authority, if applied for within 90 days after the date of enactment of this act, any real or personal property of the National Youth Administration not required by any other Federal agency or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property."

That the House insist upon its disagreement to the amendment of the Senate No. 27 to said bill; and

That the House adhere to its disagreement to the amendments of the Senate Nos. 24, 25, and 26 to said bill.

Mr. McKELLAR. Mr. President, I move that the Senate disagree to the amendments of the House to the amendments of the Senate numbered 8 and 9. Amendment numbered 9 is the War Manpower Commission amendment. It is the amendment which disposes of the National Youth Administration.

A mistake was made in the amendment by the conference committee, and I ask that it be sent back for correction. The purpose for sending back the amendment is largely to correct a mistake made in it.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. Mr. President, I move that the Senate further insist upon its amendments numbered 8, 9, 24, 25, 26, and 27; ask a further conference with the House thereon, and that the Chair appoint conferees on the part of the Senate at the further conference.

Mr. President, I wish to explain what those amendments are. Amendment numbered 19 deals with the liquidation of the N. Y. A. Another amend-

ment is that of the Senator from Missouri [Mr. CLARK] providing for relief to farmers who suffered damage because of recent floods in the States of Iowa, Kansas, and Missouri. The last amendment is the one providing for the establishment of landing areas, on which a great deal of work has been done, but which have not been completed.

The House disagrees with the Senate with respect to its amendments, and I ask the Senate to send them back to conference to see if the conferees cannot work out an agreement.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. Will the Senator be kind enough to explain what provision is made with respect to liquidation of the N. Y. A.? How much money is provided for the purpose, and what disposition is to be made of the equipment?

Mr. McKELLAR. I shall be glad to read the provision. It is as follows:

National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees.

It was found that there are a very large number of employees in this activity of the Government who have leave accrued, and of course that is an obligation of the Government which must be taken care of. That is why the additional \$1,487,000 was asked.

I proceed to read from the report:

Provided, That all real and personal property of the National Youth Administration is hereby declared surplus—

That has to be done in order to utilize this material.

Provided, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That, under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any State or other public vocational educational authority may continue to be so used during the period of the present war and for not to exceed 6 months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational educational purposes: *Pro-*

vided further, That during such period the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan without compensation to any State or other public vocational educational authority, if applied to within 90 days after the date of the enactment of this act, any real or personal property of the National Youth Administration not required by any other Federal agency or otherwise loaned under the authority of this paragraph if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property.

Mr. President, it will be noted that the words "not required by any other Federal agency" are used. Complaint has been made by some Senators and by at least one Representative, but after the bill passed the House, that the words "not required by any other Federal agency" would permit the property to be acquired by, let us say, the lend-lease organization, and shipped abroad. It was never the purpose of anyone that that should occur; and that part of the provision will have to be worked on.

With that explanation, I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I think the provision from which the Senator last read is a very salutary one. Am I to understand that it carries the power for the Commissioner who, under the provision, is charged with custody of the real estate, to turn over the real estate as well as the personal property to State vocational departments?

Mr. McKELLAR. Oh, yes; it can be turned over by way of a loan without compensation.

Mr. PEPPER. I should like to ask a further question, Mr. President.

Mr. McKELLAR. Certainly.

Mr. PEPPER. Is any provision anywhere contained in the bill, or is it contemplated that provision might be made separately, whereby the State vocational authorities might obtain additional funds for use in connection with the equipment?

Mr. McKELLAR. No; not at all. All of it would be turned over to the States or the vocational boards of the counties.

Mr. FERGUSON. Mr. President—

Mr. McKELLAR. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, let me inquire of the Senator whether there is any question that "public educational vocational authority" would mean the various public schools, whether they be in the cities, the counties, or the townships.

Mr. McKELLAR. I think not. The Senator called attention to that point this morning. I certainly will present it to the conference to see whether that view is the correct one. Of course, the language should mean that. If it does not, I hope we may straighten that out in conference.

Mr. FERGUSON. That is what I had in mind, that the provision should include the various school districts and school boards, so that there would be no question that if they desired to carry on vocational education they could apply,

under the act, and could obtain the property. I know there is such a desire in Michigan.

Mr. McKELLAR. I am quite sure that could be done. However, if there is any question we shall undertake to remove the question in the further conference. That is one of the reasons why I am asking that the bill be sent to a further conference.

Mr. BONE. Mr. President, I do not want to interrupt, but I understood the presentation of the conference report would take only a moment. I shall require only about 5 minutes more in order to complete my remarks. Under the circumstances, I wish to complete my remarks, and then the Senate can resume the consideration of the report.

Mr. PEPPER. Mr. President, reserving the right to object—

The PRESIDING OFFICER. The Senator has no right to object. The Senator from Tennessee has made a motion which is now pending and is not subject to objection.

Mr. BONE. Mr. President, I desire to continue my remarks, if possible. I will not permit long debate and colloquy in my time.

Mr. McKELLAR. Mr. President, the Senator has been very kind in yielding. The completion of consideration of the conference report will not take more than a minute or two longer.

Mr. BONE. I have been standing and waiting. I desire to complete my remarks. Then the remainder of the afternoon will be available for further consideration of the report or any other matters.

Mr. PEPPER. Mr. President, is the conference report subject to discussion?

The PRESIDING OFFICER. It is.

Mr. PEPPER. Then I should like to make a comment.

Mr. BONE. Mr. President, I object to further discussion, and ask that I be permitted to complete my remarks. I only need 5 minutes.

Mr. McKELLAR. Very well; if the Senator desires to hold up a conference report and further reports of conference committees, he will have to take the responsibility for doing so.

Mr. BONE. I am willing to accept it. I shall need only 5 minutes more to complete my remarks. The Senator from Tennessee told me that consideration of the conference report would require only a minute of time. That is why I yielded.

I will take the responsibility, to which the Senator refers, for proceeding now.

Mr. President, I ask unanimous consent that the colloquy which has ensued appear following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

After the conclusion of Mr. BONE's speech and the remarks of Mr. VAN NUYS and Mr. WILLIS, which were transposed to that point,

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. McKELLAR] that the Senate further insist on its amendments numbered 8, 9, 24, 25, 26, and 27 to House bill 3030, request a further conference with the House of

Representatives thereon, and that the Chair appoint the conferees on the part of the Senate at the further conference.

Mr. PEPPER. Mr. President, if I may have the attention of the Senator from Tennessee, I understand that the able Senator is proposing that the N. Y. A. amendment go back to conference?

Mr. McKELLAR. That is true.

Mr. PEPPER. If it is a fact, as I believe it to be—because I have consulted the Department of Education of the United States as well as the National Youth Administration—that there is no duplication of the school aid which the N. Y. A. was giving to boys and girls in schools and colleges I ask the consideration of the able Senator to a suggestion. In Florida 1,633 boys and girls were receiving the benefit of N. Y. A. aid with which to go to high school and college. They had an opportunity to do some work while they were attending school or college, which made it possible for them to continue. I am sure that nearly all those boys and girls will have to go home or cease their education unless they can find some opportunities to work. They have been enjoying such opportunities under the N. Y. A.

I think the able Senator has worked out a very salutary arrangement for turning over the N. Y. A. vocational training equipment to the State departments of education. If there has been duplication in vocational activities, it can be eliminated; but I am sure that unless the conferees can make some provision for continuation, under the Commissioner of Education of the United States, for example, of the student-aid activities, boys and girls all over America will be sent home and cut off from an opportunity to help work their way through school.

I wish to ask the able Senator if he will not verify what I say. I went to the telephone from the floor of the Senate after the able Senator from Nevada [Mr. McCARRAN] and I had discussed this matter the other day. I called the office of the Commissioner of Education. I asked whether any other agency was duplicating the student-aid program of the N. Y. A. and was told that the answer was definitely "No."

That information is from the Office of the Commissioner of Education. If the able Senator finds that to be true, I am sure he does not want to cut those boys and girls off from an opportunity to help work their way through school. Will he not investigate and find out if I am correct, and if I am correct, have the N. Y. A. fund which has been used for that purpose transferred to the Office of the Commissioner of Education, so that these worthy boys and girls may continue to help work their way through school?

Mr. McKELLAR. Mr. President, I am advised that that would be legislation on an appropriation bill, and the conferees could not act on it. That is my advice. I will look into the matter. That is all I can say. We must conform to the rules of the Senate so far as making additions to an appropriation bill is concerned.

Mr. PEPPER. Would it not be possible to find out from the N. Y. A. what sum of money has been used, and what amount

was set up for this purpose during the coming fiscal year, and put it in the appropriation bill for the Commissioner of Education, for student aid? Then the Commissioner of Education could continue these cases if he should so desire.

Mr. McKELLAR. That would be to continue the N. Y. A. The N. Y. A. was abolished the other day by act of Congress. The only way the Senator could accomplish that purpose would be for him to introduce an independent measure. I am inclined to think that I would favor an independent measure of that kind; but it would have to be an independent measure. I am advised that it could not be done in this bill.

Mr. PEPPER. I would not question the parliamentary wisdom of the able Senator from Tennessee.

Mr. McKELLAR. I am not sure.

Mr. PEPPER. It seems to me it could be handled in the same way we are handling the equipment. We are giving the Procurement Office of the Treasury Department the power to allocate the equipment to State departments of education. Why could we not put in an item of appropriation to the Commissioner of Education for student aid, in the same amount which has been going to the N. Y. A.? In that way we would effectively transfer the activity to the Commissioner of Education.

Mr. McKELLAR. That might have been possible on the consideration of the repeal of the N. Y. A.; but, as the Senator will remember, the N. Y. A. was stricken out and ordered to be liquidated.

Mr. PEPPER. May I suggest to the Senator another way in which it might be done?

Mr. McKELLAR. There is no law at all for the N. Y. A. The N. Y. A. was one of the mushroom growths which came into being without a law, merely through an appropriation. Therefore, so I am advised, there would be no law for it.

Mr. PEPPER. What would the Senator think of this suggestion, if I may ask him to consider it: Why not add enough funds to the liquidation fund provided for N. Y. A. to carry on student aid for this fiscal year?

Mr. McKELLAR. That would not be honest legislation.

Mr. WHITE. Mr. President, I should like to say just a word to the distinguished Senator from Tennessee and his colleagues associated in this conference.

I happen to be one of those who regret exceedingly that the N. Y. A. activities are to be terminated. I assume that the liquidation is now certain. I am extremely anxious that in the process of liquidation whatever is agreed to shall contain a provision under which either the N. Y. A. or the Procurement Division of the Treasury, or some other appropriate office of the Federal Government, may make available to the States and to the vocational boards of the States, and possibly to other political units within the States, the vast number of machines, machinery, equipment, tools, and appliances heretofore used by the N. Y. A., so that vocational training may be carried on within the States, and the equipment may make full contribu-

tion thereto. I hope the Senator and his colleagues will do everything within their power to assure that objective being realized.

Mr. McKELLAR. Mr. President, that is the exact purpose of this legislation.

Mr. PEPPER. Is not the Senator afraid that if no additional funds are allocated to the State educational departments they will not have the money with which to operate the equipment for training purposes?

Mr. McKELLAR. I cannot advise the Senator on that point. The messages which I have received concerning the matter are to the effect that the various State departments are very anxious to obtain the equipment and are perfectly willing to assume the responsibility for the work.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. LODGE, and Mr. HOLMAN conferees on the part of the Senate at the further conference.

AUTHORITY TO SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM TO SUBMIT REPORT ON AVIATION

Mr. WALLGREN. Mr. President, I ask unanimous consent that the Special Committee to Investigate the National Defense Program be permitted to file a report on aviation during the recess of the Congress.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

STABILIZATION OF CURRENCIES AND EXCHANGE VALUES

Mr. McCARRAN. Mr. President, looking to the post-war period, I do not believe anything is more important in connection with the continuation of our form of government, or more important to the people of the country than the question of how sound and how stable will be our currency and our Treasury at the conclusion of the war and thereafter. Sometime between now and the conclusion of the war—and, indeed, after its conclusion—the nations of the world will be looking to this country to take leadership in stabilizing the currencies of the countries of the world. Only this morning a public official called the attention of the Special Silver Committee of the Senate to the question of stabilization of currencies here and abroad.

With those things in mind, Mr. President, I submit a resolution which I hope may be read and referred to the proper committee.

There being no objection, the resolution (S. Res. 174) was read and referred to the Committee on Banking and Currency, as follows:

Resolved, That a special committee of nine Senators, to be appointed by the President of the Senate, is authorized and directed to make a comprehensive study of proposals designed to stabilize currencies and their exchange value, including pro-

posals for substituting any type of "credits" for gold in settlement of international balances, for establishment of a system of bimetalism, and any other proposal involving international agreement with a view to facilitating international exchange and promoting international trade. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations, if any, for necessary legislation.

For the purpose of this investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

APPROPRIATIONS FOR WAR AGENCIES IN EXECUTIVE OFFICE OF THE PRESIDENT—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 33 and 34 to the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have been unable to agree.

KENNETH McKELLAR,
CARL HAYDEN,
GERALD P. NYE,
RUFUS C. HOLMAN,
Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 2968, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
July 7, 1943.

Resolved, That the House still further insist upon its disagreement to the amendments of the Senate Nos. 33 and 34 to the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes.

Mr. McKELLAR. Mr. President, one of the Senate amendments provides for confirmation by the Senate of certain officers in various Government agencies. The other day, by a vote of nearly 2 to 1, the Senate voted to sustain that amendment. The House voted on the

question today. I am advised that there was some misapprehension on the part of one delegation.

I move that the Senate further insist on its amendments numbered 33 and 34, request a further conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate at the further conference.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. RUSSELL, Mr. NYE, Mr. LODGE, and Mr. HOLMAN conferees on the part of the Senate at the further conference.

AMENDMENT OF FEDERAL HIGHWAY ACT—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2798) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "\$27,500,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

On page 1 of the Senate engrossed amendment, in line 8 of said amendment, after the word "highways", strike out "on the system of Federal highways, and secondary or feeder roads", and insert the following words: "of States or their subdivisions".

On page 2 of the Senate engrossed amendment, in line 24, strike out the figures, "\$20,000,000", and insert in lieu thereof the figures, "\$10,000,000".

On page 4 of the Senate engrossed amendment, in line 3, after the word, "section.", add the following: "Provided further, That the provisions of this section shall apply only during the continuance of the emergency declared by the President on May 27, 1941, and for a period of one year thereafter."

On page 4 of the Senate engrossed amendment in line 12, after the word, "bridges" insert a "comma" and the following words: "including interstate toll bridges."

On page 6 of the Senate engrossed amendment, in line 16, after the word "official", strike out all of the remainder of line 16 and all of line 17, and insert a "comma", and add the following: "unless the War Production Board shall certify that the use of critical material for additional highway construction would impede the conduct of the war."

And the Senate agree to the same.

KENNETH McKELLAR,
CARL HAYDEN,
J. G. SCRUGHAM,
CLYDE M. REED,
WILLIAM LANGER,
C. D. BUCK,
Managers on the part of the Senate.

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,
Managers on the part of the House.

Mr. McKELLAR. I ask unanimous consent that the report be now considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. Mr. President, the Senate and House conferees have reached a complete agreement upon the road bill.

Mr. O'MAHONEY. Mr. President, during consideration of this measure on the floor of the Senate I offered an amendment by which the amount of the fund available for the construction of access roads, as reported by the Senate Committee on Post Offices and Post Roads, was increased by \$10,000,000. Provision was made that this should be used for the construction of access roads to sources of raw material, including petroleum. The reference to petroleum has been stricken out of the bill in conference; but the amount of the appropriation or the sum available carried in the conference report is greater than that which was reported by the committee. I take it, therefore, that a portion, at least, of the additional fund which was provided as the result of the amendment offered by me still remains in the bill?

Mr. McKELLAR. That is true.

Mr. O'MAHONEY. And it is to be understood, therefore, that this fund will be available in proper cases where proper application is made for the construction of access roads to oil fields?

Mr. HAYDEN. Mr. President, if I may answer the question, since I responded when the Senator offered the original amendment, let me say that when we took his amendment to conference it was discovered that the amount of money remaining in the Treasury available to this purpose was not as much as \$35,000,000. Therefore the amount provided by the amendment had to be reduced. It was compromised at \$27,500,000, and there is available for this purpose that much money in the Treasury. So that part of it is clear.

As to specifying the word "petroleum," the House conferees stated that petroleum was undoubtedly a raw material, and they wanted it treated on an equality with all other raw materials, but they did not want it mentioned specifically because that would give it a preference over other raw materials.

So the Senator is correct in assuming, first, that the petroleum deposits, so far as constructing roads to make them accessible are concerned, may receive exactly the same treatment as any other raw material deposits, and the increase in the amount of money makes it possible to do that. There is no part of the money earmarked for that particular purpose, however.

Mr. O'MAHONEY. I can understand that, and I think that it was quite proper; but it is clear that the legislative intent is that this fund shall be available for petroleum as well as for timber, minerals, and other sources of raw materials.

Mr. HAYDEN. Exactly so.

Mr. McKELLAR. Just as in the case of any other raw material.

Mr. O'MAHONEY. I am very grateful to the Senator.

Mr. MAYBANK. Mr. President, because of my interest in South Carolina highways and bridges, I should like to ask the distinguished Senator from Tennessee, if there was any appreciable change in that part of the bill which concerned taking over of toll bridges, and with reference to allotments by the Bureau of Public Roads to the various State governments on a matching basis?

Mr. McKELLAR. No, there was not; that provision is still in the bill, and, by agreement between the Federal and State authorities, I hope that a great number of bridges will be made free.

Mr. MAYBANK. I thank the Senator.

Mr. McCARRAN. Mr. President, I should like to know from the Senator from Tennessee, what, if anything, was done with the amendment the committee put in the bill attempting to avoid interference by the Bureau of the Budget?

Mr. McKELLAR. I have not the report before me, but it was amended and agreed to. I will state to the Senate that that particular provision was agreed to with the addition that it should not be interfered with unless the War Production Board certified that the material could not be obtained because it was necessary for the prosecution of the war. It left the matter squarely up to him in such a way that he would have to act on it without the question of a doubt.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. McCLELLAN. As the Senator knows, I have been very much interested in section 7 of the bill, an amendment which I offered to it. I should like to know just what changes, if any, were made in that section.

Mr. HAYDEN. Mr. President, I happen to remember that the provision remains as it was adopted by the Senate except that it will continue in effect only during the period of the emergency and a year thereafter. In other words, it is not to be permanent law.

Mr. McCLELLAN. I understand. With respect to the amount which was appropriated or made available for it, has there been any change?

Mr. HAYDEN. The amount was cut \$10,000,000.

Mr. McCLELLAN. It was reduced from \$20,000,000 to \$10,000,000?

Mr. HAYDEN. It was reduced from \$20,000,000 to \$10,000,000, for the reason that Mr. WHITTINGTON, who is also chairman of the Flood Control Committee of the House of Representatives, indicated that that sum of money was being provided in another piece of legislation. So he thought the two should conform.

Mr. McCLELLAN. As I understand, there is \$18,000,000-plus in an emergency road fund, which is also made available along with the \$10,000,000?

Mr. HAYDEN. The unexpended balance remains, and \$10,000,000 has been added, making a total of \$18,000,000, to be utilized for this purpose. It is not, however, a permanent allocation so far as this legislation is concerned; it applies

only to the war period, upon the theory that we are meeting a war emergency.

Mr. McCLELLAN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXTENSION OF TIME FOR FILING CLAIMS BY OYSTER GROWERS

Mr. RADCLIFFE. Mr. President, I ask unanimous consent that the Senate take up for immediate consideration and action House bill 2614, a measure of considerable importance. Since it is not controversial I think it can be disposed of within a very few minutes.

Mr. WHITE. Mr. President, before unanimous consent is given, let me ask, What is the bill?

Mr. RADCLIFFE. It is a bill providing for an extension of time during which certain oyster growers may file claims in the Court of Claims.

Mr. WHITE. When was the bill placed on the calendar?

Mr. RADCLIFFE. A day or so ago.

Mr. WHITE. Was it on the calendar and was it reached on the last call of the calendar?

Mr. RADCLIFFE. No; it was not.

Mr. WHITE. I know nothing about the bill, but I am opposed to the seemingly growing practice of reaching into bills on the calendar in the closing hours of the session and picking them out and bringing them to the notice of the Senate. I shall not take the responsibility of making objection in this case, and it is agreeable to me if the Senate wishes to consider the bill.

Mr. HILL. Mr. President, I wish to ask the Senator from Maryland whether he has conferred with the majority leader about taking the bill up at this time.

Mr. RADCLIFFE. I have not been able to reach him since he has been tied up in important committee work.

Mr. HILL. I wonder if the Senator from Maryland would not withhold his request for a few moments. I am sure that the Senator from Kentucky [Mr. BARKLEY] will be on the floor in a few moments. Although I am sure the bill is meritorious, as the Senator from Maryland has suggested, yet if we start this procedure, naturally if I had a bill in which I was interested, I would ask consent that it be considered. I wonder if the Senator will not withhold his request for a few moments. Is he anxious to get away soon, or for some other reason wants to have the bill considered now?

Mr. RADCLIFFE. It is a highly important measure and should be taken up today if feasible. I am confident that this bill, reported favorably by a unanimous vote of the Commerce Committee, will meet with no opposition, and, therefore, I have asked for immediate consideration without waiting for the call of the calendar.

Mr. HILL. As I understand, the bill is local in its application.

Mr. BYRD. It affects Virginia and Maryland.

House of Representatives

WEDNESDAY, JULY 7, 1943

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, as we bow at the altar of prayer we thank Thee that a new day shows us the stepping stones to higher and better things. Our hearts are heavy as we realize that war is still darkening the sky and increasing the sorrows of humanity. Oh, show us the way that leads to the ranges of wise attainment which Thou dost reveal in loving and merciful condescension.

Oh, touch every lover of liberty and every dreamer of fine ideals of free institutions. Over all our country, open sightless eyes to a world dazzling in the shade, that they may see it beckoning them to a splendid vision and grand endeavor. Ours is a life's work, a life's task, and a life's mission. Dear Lord, forbid that we should ever cheapen our calling or lower the virtues of democratic procedure. Gladly cooperating with the divine purpose, give us a deepening sense of powers unemployed, of possibilities unachieved, and ideals unfulfilled. Every earnest effort to do our whole duty is nearer the goal of victory and barriers overcome. Do Thou increase the revelation of Thyself and blend our labors into the aspirations of a true democracy; and Thine shall be the praise. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 986. An act to define misconduct, for compensation and pension purposes, as limited to felonious misconduct; and

H. R. 2106. An act to provide for the acceptance on behalf of the United States of a statue of Sir William Blackstone, the work of the late Paul W. Bartlett, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2076. An act to authorize the deportation of aliens to countries allied with the United States; and

H. R. 2703. An act to provide more adequate and uniform administrative provisions in veterans' laws pertaining to compensation, pension, and retirement pay payable by the Veterans' Administration, and for other purposes.

The message also announced that the Senate agrees to the reports of the com-

mittees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 235. An act for the relief of Forrest W. Dickey;

H. R. 1463. An act for the relief of Florence B. Hutchinson; and

H. R. 1784. An act for the relief of the legal guardian of Leonard L. Gay.

CALENDAR WEDNESDAY

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO SIT DURING MEETING OF HOUSE

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be permitted to sit during the sessions of the House this morning.

The SPEAKER. The House is going to be voting on various conference reports this morning.

Mr. BLOOM. I withdraw the request.

PERMISSION TO ADDRESS THE HOUSE

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 25 minutes today at the conclusion of the legislative program and following any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CRISIS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is the objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, 6,000 babies were listed as born to soldier fathers in the month of May. The Army estimates that 300,000 babies will be born to service fathers during the war period.

There are many inconsistencies emanating from the Office of Price Administration, many problems that still remain unsolved. A tragic call for help appears in the United States News of this week in the form of a letter to the editor from one of the fathers of tomorrow's citizens whose wife is having her second child. He writes that the papers record a record "baby crop" this year. They report that some baby carriages will be made, but no diapers. What do the New Dealers expect us to do with our babies without diapers and pins with which to fasten same?

We can do without a lot of things, but how can a baby do without diapers? Is there anybody in Washington who is interested in baby problems? If so, to whom should I address complaint?

Mr. Speaker, that is a call of desperation; I bring it to your attention as another major problem which still remains unsolved by the O. P. A.

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

CRITICAL STRATEGIC MATERIAL—THE B. E. W.-R. F. C. DISPUTE

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, the problem of obtaining critical strategic materials is a problem of vital importance to the millions of our fellow Americans who will constitute our overseas fighting fronts.

The Vice President of the United States and the Secretary of Commerce have both charged that this problem has been handled improperly and, to quote the Vice President, "to the detriment of the war effort."

The situation demands clarification and constructive action. Yet that action was blocked yesterday by a vote of 6 to 5 in the Rules Committee, all six Democratic members voting against action.

It is difficult to understand how six leading Democratic Members of this House could bring themselves to vote as a unit squarely in opposition to the as-

certainment of the facts, squarely in opposition to expediting the war effort.

The situation is not a new one. There has been friction and criticism for well over a year. Secretary Jones has asked that the situation be dealt with now. His own friends in this House deny his request. Sooner or later the situation must be dealt with in fairness to the armed forces. The people of the country will demand it.

EXTENSION OF REMARKS

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two particulars: One to include an editorial, and the other to include two speeches.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

CORRECTION OF RECORD

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to make some corrections in the RECORD of July 5: Page 7292, third column, second paragraph, which begins with the words "Mr. Donald M. Nelson," contains two phrases in quotation marks. An error was made in placing those quotation marks. I am asking that those quotation marks be deleted.

In the first column on the same page, in line 13, the word "subjected" should be "subject."

In the third column, fifth paragraph, beginning with the words "True enough" in the eighth line thereof, after the word "want," insert the word "to."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE SYNTHETIC DIAPER CRISIS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Member from Ohio [Mrs. BOLTON]—and I do not know what the revision of her remarks will show—always gives the House some constructive thought, but sometimes she overlooks some of the basic facts on which her argument is based. She just asked the House, "What will our babies do without diapers?" The enemy can be defeated, the battle on the home front won, without becoming frightened over a newspaper article telling us there will be a shortage of diapers. The babies of our soldiers, of our civilians, will not be without diapers.

The lady is unduly alarmed. American ingenuity and resourcefulness, the courage and the determination of the American mothers will today, as always, in spite of the New Deal—yes, notwithstanding the most strenuous efforts of Hopkins and WALLACE—solve the problem as it arises and the babies, every little girl and boy, God bless them, will

feel the comfort, have the service of a soft, adequate diaper, well secured by a loving mother, grandmother, or grandfather.

Some of us in our earlier days were blessed by the fact that everything desired was not immediately at hand. Let me venture the suggestion that many a distinguished Member of this House, yes, perhaps of the other body, was in her or his infancy cradled in a diaper that first saw service as part of a flour sack, a salt bag, perhaps as a former petticoat or shirt. At the risk of being wrong, let me venture the guess that there are enough old shirts, petticoats, and other used garments soft in texture but strong and reliable in fabric which, if the worst comes, will serve the purpose.

I am in favor of doing everything possible for the soldiers, for the soldier-fathers, for the mothers of the soldiers' babies—in fact, for all mothers, and I understand that some 6,000 soldiers' babies were born—

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Ohio.

Mrs. BOLTON. In the month of May in 21 States—

Mr. HOFFMAN. In the month of May. But she overlooks the fact that she advocated the inclusion of the service of the WAVES, the WAC's, the SPARS, and perhaps thousands of other women going into foreign service, so there will not be as many babies—or so it would appear—so there will probably not be as great a need for the diapers to which the lady has called attention.

Another thing she forgets and that is this, that before the present generation was born there were millions of babies born throughout the world who never were pricked by a diaper pin. I know something about what it is to wash diapers, to pin them on babies; I have done that and it was a pleasure, one that I would like to have again if age and circumstances did not prohibit.

Mrs. BOLTON. I think, Mr. Speaker, the gentleman has perhaps misunderstood me. This is the first time I have ever known him inclined to be reactionary.

Mr. HOFFMAN. Oh, I am not reactionary. No one who has ever washed diapers is a reactionary; he is a progressive. There is something about the practice that makes you seek progressive methods. The Member from Ohio [Mrs. BOLTON] is always alert, but on this occasion I do not think she has cause for worry.

The SPEAKER. The time of the gentleman from Michigan has expired.

(Mr. LEMKE and Mr. POWERS asked and were given permission to extend their own remarks in the RECORD.)

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial from today's New York Times.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE PUBLIC POWER PROGRAM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include some tables on agricultural appropriations for 1942, 1943, and 1944, appropriations that are available to the Department of Agriculture. These will be good reference material for all the Members.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

SECOND DEFICIENCY APPROPRIATION BILL, 1943—CONFERENCE REPORT

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. TABER. Mr. Speaker, a point of order; I suggest the absence of a quorum.

Mr. Speaker, I withdraw the point of order.

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the second deficiency bill (H. R. 3030) to provide supplemental appropriations for the fiscal year ending June 30, 1943, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of July 6, 1943.)

Mr. CANNON of Missouri. Mr. Speaker, I shall take 5 minutes.

Mr. Speaker, this bill went to the Senate carrying about \$36,000,000. The Senate added about \$300,000,000.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. TABER. It went to the Senate with about \$36,000,000 and they multiplied it by 10.

Mr. CANNON of Missouri. Yes; the Senate added about \$300,000,000. It is only necessary to discuss a few items.

One item that attracted some attention, a very appealing one, was that for child care in war areas. The Senate inserted \$20,000,000, but the bill authorizing such payments, although it had passed the Senate, has not been considered in the House. Under the circum-

stances the House could not yield and the item went out of the bill.

A second item which has attracted deserved attention is the item for war housing. In many of the congested centers about our war industry plants the housing condition is bad and in some locations is critical. It is charged, perhaps with some color of accuracy, that in some such centers disturbances which have arisen, notably in the Detroit area, were due to deficiencies in housing available for workmen employed in the war production plants.

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Indiana.

Mr. WILSON. Mr. Speaker, I happen to be a member of the Committee on Public Buildings and Grounds, which committee has made a very extensive investigation of the housing situation in this country, also an investigation of the use of funds which have been appropriated for this purpose heretofore. I was very strenuously opposed to the authorization of this appropriation. I was assured that that bill was only an authorization not an appropriation, and that I would be given ample opportunity to express my grievances and give the information I have to the Appropriations Committee of the House and therefore to fight this appropriation in that committee. This appropriation has never been before the Committee on Appropriations of the House, yet my distinguished chairman assured me I would be given a chance to be heard on it.

Mr. CANNON of Missouri. The gentleman has stated the situation fairly. This appropriation is in response to an authorization for \$300,000,000 just passed both Houses. The Senate inserted an appropriation for half the authorized amount, \$150,000,000. The House conferees after due consideration reduced that to \$100,000,000, one-third of the new authorization.

Mr. WILSON. When the gentleman says "the House," does he mean the House Committee on Appropriations or the conferees?

Mr. CANNON of Missouri. The managers on the part of the House, the conference committee, included the chairmen of all subcommittees. The situation was imperative, it had to be taken care of at once. Notwithstanding the need, we provided only one-third of what the gentleman's committee authorized.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. LANHAM. It will be recalled that the gentleman from Indiana, by an amendment which he offered when the measure was pending here in the House, indicated that in his judgment \$200,000,000 would be necessary for this purpose. I am wondering why he has changed his mind and thinks that even \$100,000,000 will not be necessary now.

Mr. WILSON. If the gentleman from Texas will permit me to give this answer to his question, I would like to do so.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield myself 5 additional minutes.

Mr. WILSON. The gentleman from Texas said that was only an authorization, that it was customary to ask for authorizations far in excess of the amount to be appropriated. When I asked for an authorization of \$200,000,000 I had no intention whatsoever of asking for an appropriation of \$200,000,000 or not even \$100,000,000. We have more than 45,000 housing units in the country today empty.

Mr. LANHAM. May I say that the Navy Department alone gave the committee the evidence with reference to its need for 175,000 units. Certainly there cannot be any quibbling with reference to one-third of the authorized appropriation now being needed.

Mr. WILSON. Will the gentleman yield further?

Mr. CANNON of Missouri. I hope the gentleman will permit me to proceed.

Mr. WILSON. I am going to have to object to this. I will demand a record vote.

Mr. CANNON of Missouri. The gentleman has made his position very clear. He proposed an amendment to appropriate for this purpose \$200,000,000.

Mr. WILSON. That is not correct. I did not propose an amendment to appropriate anything. It was only an authorization.

Mr. CANNON of Missouri. Whenever a committee authorizes an appropriation it does so for the express purpose of securing appropriations and it is presumed that the committee having charge of the appropriation will proceed to give appropriate consideration to the authorization that the committee recommends. An authorization can have no other purpose.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. I want to ask the gentleman two questions. In the first place, am I correct in assuming there is not anything in this bill about crop insurance? I was told there was.

Mr. CANNON of Missouri. The item on crop insurance is brought back in disagreement. It will be taken up later.

Mr. VOORHIS of California. It is one of the amendments in disagreement?

Mr. CANNON of Missouri. Yes. It will be taken up for consideration as soon as the conference report is disposed of.

Mr. VOORHIS of California. May I ask the gentleman about this child-care proposition which seems to me to be one of our greatest problems? I can understand why we cannot appropriate money pursuant to an act that has not been passed, but may I ask the gentleman what the outlook is on that problem?

Mr. CANNON of Missouri. Speaking for myself, I may say that our attitude on it would have been at least sympathetic had there been authority for its consideration.

Mr. LANHAM. I may say to the gentleman from California that that situation is taken care of under title II of the so-called Lanham Act, which provides for these community facilities, including

child care, and so forth, and this bill authorizes an appropriation of \$50,000,000 for these various purposes.

Mr. VOORHIS of California. Which can be used for that purpose?

Mr. LANHAM. Part of it; yes, sir.

Mr. CANNON of Missouri. An appropriation for the Guffey Coal Act was precluded when the Committee on Rules declined to favor a resolution to consider a bill to continue the life of the Commission beyond August 24.

We provided for completion of the Gulf Intracoastal Waterway from Florida to Texas. We provided the remaining amount of some \$7,000,000 to complete the project.

We also provided \$4,385,000 for the Youngstown flood project, where in a recent flood the river came within a half inch of putting out of commission three of the largest and most important steel plants in the Nation.

We provided \$10,000,000 for repair of levees under the jurisdiction of the War Department and \$80,000 to readjust salaries in the State Soldiers Home.

Before I yield to the gentleman from New York [Mr. TABER] I yield 3 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON. Mr. Speaker, as I said before, this appropriation has never been before the Appropriations Committee of the House. We have never had a chance to be heard. There are several Members of the House who are opposed to this appropriation. The National Housing Administration has never shown a committee of the House of Representatives, the Rules Committee, or the Appropriations Committee, where one single dollar is needed.

We have today between 45,000 and 60,000 empty housing units built from the Lanham Act funds. We have today 45,000 or 50,000 units that will never have anyone living in them and if we build 300,000 more we will have at least 100,000 units in which there will never be anyone living. I have made an investigation of this myself, I have the evidence, and I know what I am talking about. If anyone can show me how building empty houses is going to win this war I will support this appropriation.

Mr. ELLIOTT. Will the gentleman yield?

Mr. WILSON. I have not the time to yield.

Mr. Speaker, this housing agency has between \$30,000,000 and \$40,000,000 in funds now with which to build houses. They do not need an additional appropriation at this time. Therefore I think that \$50,000,000 would be adequate. I have always thought that \$50,000,000 would be adequate to carry them over and do the job that is essential to the war effort.

I only had 20 minutes out of the entire time allowed in the consideration of the bill authorizing the pending appropriation. The proponents of the measure had 1 hour and 40 minutes. I had less than half enough time to present my case to the committee. Here I am and here we are today, Members of the House, put in the position of appropriating money for something few know any-

thing about. You have not had a chance to hear anyone on the issue, you have heard only from a few people who have been advocating this appropriation. The opposition have had no chance whatever to present their case.

Mr. Speaker, I hope this conference report will be voted down and that the conferees will be instructed to amend this particular section to \$50,000,000.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, may I say in reply to the remarks of the gentleman from Indiana that the evidence before the Committee on Public Buildings and Grounds shows that the family units are 91 percent occupied, and with reference to all the units, both family units and the units for single workers, they are 84-percent occupied. Of course, vacancies arise with reference to these single workers because many of them are taken out of their employment and put into our military services. These vacancies do occur. They are temporary by reason of the fact that others come along to replace these men when they are taken into the service. But it is a fine record under all the circumstances to have 91 percent of the family units occupied and an over-all picture of 84 percent of them occupied.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Speaker, I concur in the statement of my distinguished chairman. We have held a number of hearings in our committee on this piece of legislation. The records will show that, as he stated, 84 percent of these buildings are occupied.

I regret exceedingly that my distinguished friend and colleague from Indiana has taken the position he has. You recall that several days ago we debated this matter for 2 hours on the floor of the House, 1 hour assigned to the other side and 1 hour to our side. The gentleman from Indiana had 20 minutes of the 1 hour allotted to our side and the rest of us had 5 and 10 minutes apiece. This House then, by a majority vote, sustained the recommendation of the committee and against the recommendation of the gentleman from Indiana.

It is to be regretted that when we had our committee meeting yesterday our distinguished friend from Indiana, probably because of official business, was unable to attend, because at that committee meeting we ironed out a number of the objections that were brought up on the floor.

I sincerely trust that the House will this morning go along with the recommendation of the conferees and stand by their previous action, notwithstanding the objections of the gentleman from Indiana.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I have noticed for the first time that this appropriation contains a certain amount of money for the completion of a dam known as the Mosquito Creek Dam, in the

Mahoning River, in the vicinity of Youngstown, Ohio. A good many of the people from Pittsburgh and western Pennsylvania have felt that this dam, although it purports to be a flood-control project, is really in aid of a canal which they have been trying for some time to build from Youngstown to the Ohio River.

I, together with some of my colleagues on both sides of the House from Pennsylvania, have taken this matter up with various departments of the Federal Government. They assure us that this is really a bona fide dam. I am taking this time to say that if there is any attempt on the part of the people behind this project to use it in aid of this canal, which we feel to be unfair and uneconomic, we are being deceived at the present time, and will resist any further building which will be in aid of the canal.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Speaker, in 1938 this House authorized the construction of this dam. Two years ago, in 1941, the heads of a steel plant appeared before a Senate committee and testified that they were losing 4,000 tons of steel a month, 3 plants losing 12,000 tons a month, or 84,000 tons of steel a year. In the summertime this loss is due to low water, and in the wintertime they are losing this steel through high water.

We have a War Production Board down here which requires us to get priorities if we want to get a coffee grinder, but there are 84,000 tons of steel being lost for the want of a dam.

This dam should have been constructed long ago, at a cost of only \$4,000,000. This dam is to keep the steel plants going, to furnish the material and make everything that is necessary in winning the war. Even the railroad has admitted that this dam is no part of a canal. I do not think the gentleman from Pennsylvania was ever in the town of Youngstown, Ohio, yet he stands here and tells us something about what is going on down there, without knowing what is going on.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. As a matter of fact, I happen to have visited quite frequently the city which the gentleman has represented so well. The railroad companies are very much opposed to this particular dam, and only because they believe it is physically in aid of this canal. If it were a legitimate flood-control project and necessary to the gentleman's district, I would be the last person to oppose it. The only reason I am making this statement is that I want it to be made sure that we shall resist any attempt to use this dam in aid of this canal, which we feel to be unjust to the western Pennsylvania district.

Mr. KIRWAN. Senator GUFFEY had opposed this project, but when he found out that it was no part of a canal, he withdrew his objection. This is not only for my district, it is of aid to the Nation in the production of steel.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the housing item, together with the item for community facilities, has been reduced to \$150,000,000 in all. That is, \$50,000,000 for facilities and \$100,000,000 for housing.

There were no hearings anywhere indicating just what they wanted to do with the money. We are going a long way letting bureaucrats have \$150,000,000 without any hearings whatever to justify it. The only reason that anyone has for signing the conference report and going along with it is that probably they cannot do a great deal more than they need when they had a budget estimate for \$300,000,000 on one item, and, as I remember it, \$150,000,000 on another, making a total of \$450,000,000, and they are only getting \$150,000,000.

I just want to serve notice on this housing outfit that they cannot come in here and get me to sign another conference report without telling us what they are going to do with the money in detail. There is absolutely no justification in the record for the appropriation of a dollar. We are taking it on faith, making a cut on the basis of what they asked for originally by dividing it by 3. I do not like that way of doing business and I want these people to know that they will never get me to go along again without calling attention to it on the floor and fighting it and without giving us the detail and telling us what they want the money for.

There are several things in here that are quite liberal. On the other hand, they are what we had to yield to in connection with getting an agreement out of the Senate. When the Senate makes a business of increasing by tenfold what we send over to them, we always know there is considerable "velvet" in it. Those are the times that we have to watch and cut down just as much as we can. There are a great many amendments in disagreement that will require discussion later on, but for the time being I will not add anything further.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. Yes, I yield.

Mr. DONDERO. Did your committee strike out the proposed item of \$20,000,000 as an appropriation under Senate 1130?

Mr. TABER. We did, because we had no authorization to carry any such thing. If we had wanted to, we could not put it in the conference report without making the conference report subject to a point of order, and we thought that no such thing as that should be considered without our first having legislative authority and hearing in detail as to what should be done.

Mr. MCGREGOR. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MCGREGOR. If I understand the gentleman correctly, the \$20,000,000 is dependent upon the passage of S. 1130, then?

Mr. TABER. Oh, I do not know anything about that. It is not in this bill and it is not dependent on anything now except the passage of the bill and future hearings before the Appropriations Committee as to need.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. LANHAM. May I bring to the attention of the gentleman from New York that the service contemplated by the proposed appropriation is carried out through the appropriation to which the gentleman referred, under the so-called Lanham Act, with reference to community facilities?

Mr. TABER. But it is being carried out in a very extravagant manner under the direction of a woman by the name of Florence Kerr, who is moving people all around in it at enormously high salaries. I call especial attention to one case in New Orleans where they had a set-up that satisfied the locality and took care of everything for \$130,000. They only had one supervisor at \$350 a month. She moves in and boosts the cost to over \$500,000 and puts in seven or eight supervisors with one at the head at \$500 a month. That kind of business is something that requires considerable brakes.

Mr. LANHAM. They are asking for a great deal more than has been used by the Federal Works Agency for that purpose.

Mr. TABER. That may be.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I simply wanted to ask a question. With reference to this proposal of the Senate for this child care program, do I not recall that at one time the gentleman from Missouri reported that in another bill provision was being made for the child care program, for the children of mothers engaged in war industries?

Mr. LANHAM. If the gentleman will permit me to answer that, that is provided for under title II of the so-called Lanham Act. Care is being taken of the children of the war mothers.

Mr. CASE. And is the gentleman satisfied that adequate care is being provided under that item?

Mr. LANHAM. I think insofar as it can be done at this time it is being done, and much less money has been spent for that purpose than is contemplated under this Senate proposal.

Mr. CASE. Then the action of the conferees on this bill is satisfactory at this time to the gentleman on this point?

Mr. LANHAM. Yes.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced the ayes appeared to have it.

Mr. WILSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 306; nays 30, not voting 94, as follows:

[Roll No. 134]

YEAS—306

Abernethy	Gathings	Maas
Allen, La.	Gavagan	Madden
Andersen,	Gavin	Mahon
H. Carl	Gearhart	Manasco
Anderson, Calif.	Gerlach	Mansfield,
Anderson,	Gibson	Mont.
N. Mex.	Gillette	Marcantonio
Andresen,	Goodwin	Martin, Iowa
August H.	Gossett	Martin, Mass.
Angell	Graham	Mason
Arends	Granger	May
Arnold	Grant, Ala.	Merritt
Auchincloss	Grant, Ind.	Merrow
Baldwin, N. Y.	Gregory	Michener
Bates, Ky.	Griffiths	Miller, Conn.
Bates, Mass.	Gross	Miller, Mo.
Beall	Gwynne	Miller, Nebr.
Beckworth	Hagen	Miller, Pa.
Bell	Hall	Mills
Bennett, Mo.	Leonard W.	Monkiewicz
Bishop	Halleck	Morrison, La.
Blackney	Hancock	Mruk
Bloom	Hare	Mundt
Bokon	Harless, Ariz.	Murdock
Bonner	Harness, Ind.	Murphy
Boren	Hart	Murray, Tenn.
Bradley, Pa.	Hartley	Myers
Brown, Ga.	Hays	Newsome
Brown, Ohio	Heffernan	Norrell
Bryson	Hendricks	O'Brien, Mich.
Bulwinkle	Herter	O'Brien, N. Y.
Burchill, N. Y.	Hess	O'Neal
Burdick	Hinshaw	O'Toole
Burgin	Hobbs	Outland
Butler	Hoch	Pace
Byrne	Hoeven	Patman
Camp	Holmes, Mass.	Patton
Canfield	Holmes, Wash.	Peterson, Fla.
Cannon, Fla.	Hope	Peterson, Ga.
Cannon, Mo.	Horan	Pfeifer
Carson, Ohio	Howell	Philbin
Carter	Hull	Pittenger
Case	Jackson	Ploeser
Celler	Jarman	Poulson
Chapman	Jeffrey	Powers
Chipherfield	Jenkins	Price
Church	Jennings	Priest
Clark	Jensen	Rabaut
Clason	Johnson,	Ramspeck
Coffee	Calvin D.	Randolph
Cole, Mo.	Johnson, Ind.	Rankin
Cole, N. Y.	Johnson,	Reece, Tenn.
Colmer	J. Leroy	Reed, Ill.
Cooley	Johnson,	Reed, N. Y.
Cooper	Luther A.	Rees, Kans.
Courtney	Johnson,	Richards
Cravens	Lyndon B.	Rivers
Creal	Johnson, Okla.	Robertson
Crosser	Jonkman	Robinson, Utah
Cullen	Judd	Robison, Ky.
Cunningham	Kean	Rockwell
Curtis	Kearney	Rodgers, Pa.
D'Alesandro	Kee	Rogers, Calif.
Davis	Kelley	Rogers, Mass.
Day	Kennedy	Rohrbough
Dewey	Keogh	Rolph
Dickstein	Kern	Rowan
Dillweg	Kinzer	Satterfield
Dingell	Kirwan	Sauthoff
Dirksen	Kleberg	Scanlon
Disney	Klein	Schiffier
Dondero	Knutson	Schuetz
Eaton	Kunkel	Schwabe
Eberhart	Lambertson	Scott
Elliott	Landis	Shafer
Ellison, Md.	Lane	Sheppard
Ellsworth	Lanham	Short
Elston, Ohio	Lea	Sikes
Engel	LeCompte	Simpson, Ill.
Feighan	LeFevre	Simpson, Pa.
Fenton	Lemke	Smith, Maine
Fernandez	Lesinski	Smith, Va.
Fish	Luce	Smith, Wis.
Flannagan	Ludlow	Snyder
Fogarty	Lynch	Somers, N. Y.
Folger	McGehee	Sparkman
Forand	McGregor	Spence
Fulbright	McKenzie	Springer
Furlong	McLean	Stanley
Gale	McMillan	Starnes, Ala.
Gamble	McMurray	Steagall

Stearns, N. H.	Tibbott	White
Stefan	Towe	Whittington
Stewart	Voorhis, Calif.	Wickersham
Stockman	Wadsworth	Wigglesworth
Sullivan	Walter	Wiley
Sumners, Tex.	Ward	Winslead
Sundstrom	Wasielewski	Wolcott
Taber	Welchel, Ohio	Wolfenden, Pa.
Talbot	Weiss	Wolverton, N. J.
Talle	Welch	Woodruff, Mich.
Taylor	Wene	Woodrum, Va.
Thomas, N. J.	West	Worley
Thomas, Tex.	Wheat	Wright
Thomason	Whelchel, Ga.	Zimmerman

NAYS—30

Barrett	Ellis	Ramey
Bender	Fellows	Rizly
Brehm	Heidinger	Rowe
Buffett	Hoffman	Smith, Ohio
Busbey	Johnson,	Vincent, Ky.
Carlson, Kans.	Anton J.	Vorys, Ohio
Chenoweth	Jones	Vursell
Clevenger	LaFollette	Wilson
Compton	Lewis	Winter
Crawford	McCowen	
Dworshak	McWilliams	

NOT VOTING—94

Allen, Ill.	Fulmer	Morrison, N. C.
Andrews	Gallagher	Mott
Baldwin, Md.	Gifford	Murray, Wis.
Barden	Gilchrist	Norman
Barry	Gillie	Norton
Bennett, Mich.	Gordon	O'Brien, Ill.
Bland	Gore	O'Connor
Boykin	Gorski	O'Hara
Bradley, Mich.	Green	O'Konski
Brooks	Hale	O'Leary
Buckley	Hall,	Phillips
Burch, Va.	Edwin Arthur	Plumley
Capozzoli	Harris, Ark.	Poage
Cochran	Harris, Va.	Pracht
Costello	Hébert	Russell
Cox	Hill	Sabath
Culkin	Hollfield	Sadowski
Curley	Izac	Sasscer
Dawson	Johnson, Ward	Sheridan
Delaney	Keefe	Slaughter
Dies	Kefauver	Smith, W. Va.
Ditter	Kilburn	Stevenson
Domeneaux	Kilday	Summer, Ill.
Doughton	King	Tarver
Douglas	Larcade	Tolan
Drewry	McCord	Treadway
Durham	McCormack	Troutman
Elmer	McGranery	Van Zandt
Fay	Magnuson	Vinson, Ga.
Fisher	Maloney	Weaver
Fitzpatrick	Mansfield, Tex.	Whitten
Ford	Monroney	

So the conference report was agreed to. The Clerk announced the following pairs:

General pairs:

Mr. Hollifield with Mr. Ward Johnson.
 Mr. Doughton with Mr. Treadway.
 Mr. Barry with Mr. Hill.
 Mr. Sasscer with Mr. Gallagher.
 Mrs. Norton with Mr. Elmer.
 Mr. Vinson of Georgia with Mr. Norman.
 Mr. Delaney with Mr. Phillips.
 Mr. Gordon with Mr. Gillie.
 Mr. Drewry with Mr. Hale.
 Mr. Fay with Mr. Gifford.
 Mr. Cochran with Mr. Allen of Illinois.
 Mr. Fitzpatrick with Mr. Keefe.
 Mr. Bland with Mr. Troutman.
 Mr. Tarver with Mr. Stevenson.
 Mr. McCormack with Mr. Ditter.
 Mr. Buckley with Mr. Pracht.
 Mr. Curley with Mr. O'Hara.
 Mr. Smith of West Virginia with Mr. Douglas.
 Mr. Gorski with Mr. Plumley.
 Mr. Mansfield of Texas with Mr. Edwin Arthur Hall.
 Mr. O'Brien of Illinois with Mr. Kilburn.
 Mr. Magnuson with Mr. Bennett of Michigan.
 Mr. Harris of Virginia with Mr. Andrews.
 Mr. Capozzoli with Mr. Van Zandt.
 Mr. Maloney with Mr. Culkin.
 Mr. Hébert with Mr. Bradley of Michigan.
 Mr. Tolan with Mr. Gilchrist.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 8: On page 4, line 13, insert:

"OFFICE FOR EMERGENCY MANAGEMENT

"OFFICE OF WAR INFORMATION

"The second paragraph under the caption 'Office of War Information,' contained in the National War Agencies Appropriation Act, 1944, shall not prevent the preparation and distribution to the public of the United States Government Manual."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

"Before the matter inserted by said amendment, insert the following paragraph:

"OFFICE OF PRICE ADMINISTRATION

"The eighth proviso in the paragraph under the caption Office of Price Administration, contained in the National War Agencies Appropriation Act, 1944, shall not take effect until August 16, 1943."

Mr. CANNON of Missouri. Mr. Speaker, there are two items contained in this amendment. One relates to the continuation of the United States Government Manual under the Office of War Information, which would have to be discontinued under an amendment inserted in the war agencies appropriation bill.

The second provision relates to the inhibition under the Office of Price Administration which was adopted as a part of the war agencies appropriation bill, prohibiting the employment of employees without business experience. Under that bill the provision becomes effective immediately and obviously allows them no time for adjustment. The pending amendment gives them 45 days in which to make provision.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 4, line 20, insert:

"WAR MANPOWER COMMISSION

"National Youth Administration: Upon the application within 60 days of any State or State board of vocational education, or county or county board of education, any building, accessory, equipment, tools or machinery of any type heretofore in use by the National Youth Administration, and located in such State and county, shall be transferred by the Procurement Division of the Treasury Department to any such applicant without compensation."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 9, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by such amendment, insert the following:

"WAR MANPOWER COMMISSION

"National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the act of August 27, 1935 (40 U. S. C., 304 (a) and 304 (b)): *Provided further*, That under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any State or other public vocational education authority may continue to be so used during the period of the present war and for not to exceed 6 months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any State or other public vocational education authority, if applied for within 90 days after the date of enactment of this act, any real or personal property of the National Youth Administration not required by any other Federal agency or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property."

Mr. CANNON of Missouri. Mr. Speaker, I ask to be notified when I have consumed 5 minutes.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Alabama?

Mr. CANNON of Missouri. For what purpose?

Mr. HOBBS. I desire to offer an amendment to the amendment offered by the committee.

Mr. CANNON of Missouri. I yield.

Mr. TABER. Mr. Speaker, will the gentleman yield to me?

Mr. CANNON of Missouri. Mr. Speaker, I cannot yield to the gentleman to offer an amendment.

Mr. HOBBS. Mr. Speaker, I make a point of order that the gentleman has yielded to me.

The SPEAKER. The gentleman from Alabama makes the point of order that the gentleman from Missouri yielded to the gentleman from Alabama, but when the gentleman from Missouri heard for what purpose the gentleman from Alabama desired recognition he refused to yield.

Mr. HOBBS. Mr. Speaker, the gentleman from Missouri asked me for what purpose I desired recognition and I stated for the purpose of offering an amendment to the committee amendment, and he yielded to me after that.

Mr. CANNON of Missouri. Mr. Speaker, if I so stated it was through inadvertence as my purpose in preferring the unusual question as to the purpose for which the gentleman desired recognition was obviously to decline recognition for an amendment. Members in charge of bills are charged with the responsibility of protecting such bills from amendment. I could not yield to the distinguished gentleman from Alabama to offer an amendment, because I am not authorized to yield, for the purpose of offering an amendment.

Mr. Speaker, the Congress has voted to liquidate the National Youth Administration. That organization now has under its control \$55,000,000 worth of property in 1,700 different locations throughout the United States. The purpose of this amendment is to provide for the orderly and economical conservation and disposition of that property.

Speaking generally, the plan adopted under the legislation in disagreement between the two Houses and the plan determined upon by the conferees was to loan rather than grant, gratuitously, any of this property at this time to the public institution which were using it on June 30, to remain under their control for a period ending 6 months after the termination of the war or until it ceased to be used for vocational education. In other words, it is turned over to the schools now using it solely and exclusively for the purposes of vocational education and when it ceases to be so used it is to be returned at the expense of the borrowing agency.

Such of the property as is not being used on June 30 by public vocational educational institutions for that purpose is to be available to Government agencies, especially the Army and the Navy, who are to pay for it out of funds at their disposition. Other property which the Government agencies do not want and which is turned back by the educational institutions having it at this time can be loaned for the purpose of public vocational education and training to public vocational education authorities.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. Yes, Mr. Speaker, I promised to yield to the gentleman from Michigan to permit him to submit a request.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that after the disposition of matters on the Speaker's table and the other special orders heretofore granted I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. I also ask unanimous consent, Mr. Speaker, that I may be permitted to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

SECOND DEFICIENCY APPROPRIATION BILL, 1943—CONFERENCE REPORT

Mr. ENGEL and Mr. MURDOCK rose. Mr. CANNON of Missouri. Mr. Speaker, I yield first to the gentleman from Michigan, a member of the committee.

Mr. ENGEL. As I understand it, this amendment does not postpone the date of liquidation as set in the bill passed some days ago, January 1, 1944.

Mr. CANNON of Missouri. That is correct.

Mr. ENGEL. National Youth Administration must be liquidated by January 1, 1944.

The SPEAKER. The gentleman from Missouri has consumed 5 minutes.

Mr. CANNON of Missouri. Mr. Speaker, I yield myself 3 additional minutes in order to answer the questions of the Members on their feet.

Mr. ENGEL. This million and a half additional is to pay for leaves and meet the pay roll from July 1 to the date of dispersal; is that right?

Mr. CANNON of Missouri. The gentleman is correct. There is due in accrued leave and for operation from July 1 up to the date of the enactment of the regular annual bill in round figures about \$2,000,000. To meet these fixed obligations we earmarked a million and a half of this fund as the gentleman has indicated.

Mr. ENGEL. Mr. Speaker, will the gentleman yield further?

Mr. CANNON of Missouri. I am glad to yield to the gentleman from Michigan.

Mr. ENGEL. Then the personal property which has been loaned to schools remains there for the duration of 6 months and they have the first priority.

Mr. CANNON of Missouri. Property in use on June 30 last by a public vocational school can continue to be loaned to that school for use for vocational-education purposes during the war and for not more than 6 months afterward. Government agencies have prior consideration for the rest of the property and after them public vocational-education authorities can be loaned this property for vocational education and training.

Mr. ENGEL. Then the war agencies have next priority; is that right?

Mr. CANNON of Missouri. Yes; they have priority to buy.

Mr. ENGEL. The vocational schools have priority as far as leasing the property is concerned until 6 months after the termination of the war.

Mr. CANNON of Missouri. Provided it is to be used for vocational education.

Mr. ENGEL. The personal property is to be disposed of by the Procurement Division of the Treasury and the real property by the Public Buildings and Grounds Division; is that right?

Mr. CANNON of Missouri. That is correct.

Mr. Speaker, I yield now to the gentleman from Michigan [Mr. RABAUT], a member of the committee.

Mr. RABAUT. The understanding I had when we were in committee yesterday was that these facilities would remain in the schools in which they are now located if they were used for vocational training. Under the language that has been suggested here, however, these facilities are only permitted to remain in the public schools. There are some private schools that have these facilities; there are some institutions, such as colleges, that have these facilities. I do not think it was the intention to deny such institutions in the language proposed yesterday in the committee.

Mr. O'NEAL. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. O'NEAL. Replying to the gentleman from Michigan who is interested in some of these schools, I think it was the belief of the committee that under this language the public authorities would designate such schools as needed this equipment and should be operated, even private schools. And they would be entitled to the use of this property provided they carried on the program as it had been carried on prior to this time. In other words, it does not mean that the public agency could not have a designee, a private agency, who could operate it by authority from that public agency. The wisdom of allowing a law to be passed under which Government property would be turned over to some private individual or group, is doubtful in my opinion. It should go through some governmental agency of the State, county, or the city.

The SPEAKER pro tempore. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. Mr. Speaker, I shall take 3 additional minutes to reply to the gentleman's questions.

Mr. RABAUT. Mr. Speaker, if the gentleman will yield further, is it the chairman's understanding of this bill that this property that is in private institutions now is to be taken out immediately whether they are using it or not?

Mr. CANNON of Missouri. I have consulted the clerk to the committee and I am advised that we adopted the provision in the Senate amendment which limits it to public institutions.

Mr. RABAUT. Would private institutions be permitted to use it, or will it be taken away from them? If it is, the bill is discriminatory.

Mr. CANNON of Missouri. I am advised that the Senate language limits it to public institutions.

Mr. MURDOCK. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK. A part of my question has been answered. I am anxious that this N. Y. A. material be made available to our public schools to the greatest possible extent for war training. Do I understand now that this equipment is loaned to public institutions and no rental charges are made?

Mr. CANNON of Missouri. There is no rental charge. The only requirement is that they return it at their own expense at the conclusion of the period for which it is loaned.

Mr. RAMSPECK. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. RAMSPECK. Will the gentleman tell me what becomes of the facilities that are not in schools but have been operated wholly by the National Youth Administration? Can they be turned over to the public-school bodies?

Mr. CANNON of Missouri. It goes to such Government agencies as request it, notably the Army and Navy which must pay for it out of the funds allotted to them. If Government agencies do not want it the public institutions can request a loan of it for vocational education and training and if no one wants it, it can be sold as surplus.

Mr. RAMSPECK. Why should not public schools in a case like that be allowed to take over these facilities?

Mr. CANNON of Missouri. The purpose of this is to leave it in the public schools where it is retained without cost or charge as long as it is used for vocational education up until 6 months after the war when final disposition can be made of it.

Mr. RAMSPECK. If I may say to the chairman, I have in my district a very large facility of the National Youth Administration being used to train war workers for a bomber plant. It is going to be shut down. Why cannot the county schools take it over and operate it?

Mr. CANNON of Missouri. They have absolute authority to loan it to carry on that work as long as it is used for vocational education, if not needed by some Federal agency.

Mr. HARE. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Carolina.

Mr. HARE. Provided the county board of that county asks for the transfer?

Mr. CANNON of Missouri. Yes; certainly.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I shall take 5 additional minutes.

Mr. TABER. Will the gentleman yield to me?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. In view of the confusion we have had, I think it comes about by a lot of Members asking questions that no one can hear because they are not by the microphone. I suggest if anyone wants to ask a question of someone else that they go to the microphone where they can be heard.

Mr. CANNON of Missouri. The point is well taken, and I concur in the gentleman's suggestion.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I have the same problem in my district that the gentleman from Georgia who has just interrogated the chairman of the Committee on Appropriations. The situation is that this N. Y. A. facility has been operated by the N. Y. A. making goods for war purposes for the Army and Navy, doing it in property owned by the school board. The school board has furnished the property. Now, that is closed down. It is not clear to me, and I do not think it is clear to the gentleman from Georgia, that the language of the conference report is clear enough to take care of that situation so the property may be retained there. My suggestion to the chairman is this: Can we not have that language a little bit more specific so there will be no question about it?

Mr. CANNON of Missouri. The language specifically applies to precisely that situation. If there is no requisition from the Army or Navy, it can and will be loaned for that purpose upon request of the school.

Mr. SMITH of Virginia. Will the gentleman tell us just how it does so, so that there may be no misunderstanding about that? Will he do that in his extension of remarks?

Mr. CANNON of Missouri. If the educational board makes application for it, it will be loaned if it is to be used for vocational education purposes.

Mr. DINGELL. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to inquire with regard to the dismantling of some of the facilities already in existence. I am informed that some well-regulated and productive institutions have already been taken down and the machinery has been stored. I am also told by the superintendent of schools of the city of Detroit that they are reluctant to have to apply to the State board or to anyone else, and he insists that they should have the right to take over existing facilities and to make their application direct and that they should be protected in this regard.

Mr. TABER. They would be allowed to under this language.

Mr. DINGELL. Well, I will accept that, but I would like to have the Chairman make that specific so there will be no misunderstanding.

May I say with regard to the general use of this machinery, that there are many institutions, not necessarily public schools, but private schools and other schools under N. Y. A. that have been

teaching and doing a very creditable piece of work. They should not now be disturbed. All these should have the same privilege until 6 months after the war. I do not think there should be any partiality shown because it is an emergent question and it requires the training of the greatest possible number, particularly in such localities as the city of Detroit. I would like to have some assurance from the Chairman that private and public schools and such institutions as have been training the youth for war work will have the privilege of using this machinery and that meantime the N. Y. A. discontinue dismantling these plants until full and final disposition is made.

Mr. CANNON of Missouri. I understand the gentleman's interest in the dismantling of these plants, but Congress has spoken, Congress has ordered N. Y. A. liquidated, the Congress has determined that these plants, regardless of the work they are doing or how essential or how valuable they are, shall be discontinued, and we have no alternative but to follow the direction of the Congress.

As to this surplus material, some of the machinery and equipment is exceedingly valuable and in great demand. The Army and Navy are crying for it right now. Under the pending amendment, after public educational institutions now using this equipment have been cared for, the remaining surplus material is subject to disposition to Government agencies and the Government agencies, such as the Army and Navy, have priority.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. DONDERO. Will the gentleman advise the House whether or not any provision has been made whereby after the Army and the Navy have exercised their priority in the selection of such machinery as they may need, either a private school or a public school has the right to buy this machinery and use it where it now is?

Mr. CANNON of Missouri. Under the language of the Senate amendment and under the revision adopted in conference, after the public schools which now have this equipment have been provided for and the agencies of the Government have exercised their priority, then the remaining surplus can be loaned to any public institution provided it uses the equipment for vocational education.

Mr. DONDERO. Could they buy it in order that they would own that machinery, and leave it there?

The SPEAKER. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. Mr. Speaker, in order to yield for a question, I shall take 3 additional minutes.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield to me for an observation?

Mr. CANNON of Missouri. I yield to the gentleman from Oklahoma, a member of the committee.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have asked the chairman of

the committee to yield that I might be able to make a brief but, I trust, appropriate observation with reference to the "funeral arrangements" that the committee has made concerning the remains of the late National Youth Administration.

The spectacle that we have witnessed for the past several minutes of many Members standing on the floor of this House demanding to know what is going to happen to their particular N. Y. A. projects is exactly what I anticipated would happen. I predict there is going to be still more confusion and embarrassment when Members return home, especially to Members who voted to kill the N. Y. A. on the theory that it was not contributing anything to the war effort. I am gratified, of course, to learn that some Members who were bitter in their criticism and denunciation of that organization have finally discovered that they have, or had, one or more projects in their own districts that were vitally important to the war effort. Frankly, their complaints now about closing down their projects come mighty late.

It is also interesting and very significant to see that many of the inquiries, complaints, and criticisms against the deficiency committee as to the manner in which the N. Y. A. is to be liquidated, come from those who apparently did not know that they had an N. Y. A. project a few days ago, or else from those who insisted that it was rendering no appreciable benefit in training young people for the vital war industries.

When you return to your districts within a few days there is going to be a sign on the doors of most of those splendid, well-equipped N. Y. A. shops, 1,500 in all, "Closed for the duration." Regardless of the language of this amendment, there is nothing that the committee can now do except to liquidate that organization.

I am glad, Mr. Speaker, the RECORD will show that I opposed to the end the closing of these N. Y. A. shops that have carried on such an outstanding, constructive, and worth-while training program for the young men and young women of America.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. CASE. In reading over the language of the proposed amendment, I notice it carries the words "any other Federal agency." It would occur to me that a fair interpretation of that might be that any Federal agency would have priority over any State or county agency. I refer particularly to the language toward the conclusion of the amendment which reads, in part:

Any real or personal property of the National Youth Administration not required by any other Federal agency or otherwise loaned under the authority of this paragraph.

Would that not mean in effect that the United States Office of Education would have a priority over any State educational set-up?

Mr. CANNON of Missouri. After the public educational institutions which now have the material have been pro-

vided with what they require, the Federal agencies then have priority as the gentleman has indicated, and they can secure this material on application if they pay for it. Upon payment it is theirs and they may use it for their own purposes.

Mr. CASE. The part of the amendment to which I have referred deals with the loaning of this property and the returning of it, if the borrower agrees to pay the expenses.

Mr. CANNON of Missouri. The loaning is exclusively for vocational educational purposes, but when no longer required for that purpose any Federal agency in the exercise of its right of priority can buy it and use it as it deems best.

The SPEAKER. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL. Mr. Speaker, when the committee considered this matter the intention was very clear as to what was to be done. Certainly the language is meant to carry out these ideas. The intention of the conferees was simply this. Since the liquidation of N. Y. A. had been ordered, we did not wish that there be a complete waste and disuse of the material, with which they have worked, consequently we attempted to draft an amendment which would carry that desire into effect. Under the law, the Army, Navy, and Government departments have first call on surplus property. This right remains under this amendment. We did not touch that. But in the event that it is not called for by these Government agencies, the intention of the conferees was to make it possible for those schools to be operated, should any public agency want them to be operated, by making application to the proper authorities. Any material which was needed by the public authorities could be turned over to a public agency, school district, city district, or any other public agency, and the property would be turned over to it by way of a loan until 6 months after the war ends. That was the intention.

It was further intended that where these schools were being operated by some private group, since this is the Federal Government's property it would be turned over upon application to the State or some subdistricts, and they in turn could designate some private agency to go ahead about as they had before.

The whole proposition meant to be covered by this amendment is the full utilization of the existing N. Y. A. school facilities by application on the part of a public body and also by designation by that body to some private institution where they had been operating that way in the past. That is my understanding of the intent of this amendment and I believe the amendment carries that into effect.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent that today, at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I, along with many other Members of this House, voted in favor of the continuation of the National Youth Administration because I felt that every single facility we had for use in the war-training program would be necessary and should be used. It seems to me that this discussion today indicates that that is true, and that these facilities are going to be made available to these various school agencies.

I should like to ask the chairman this question, if I may. We have been talking about making these facilities available to the various schools and agencies in order to use them for war training. The question that is bothering me is: Where are these schools going to get the funds necessary to employ the personnel for the operation of these training facilities? Has the committee provided additional funds to take care of that?

Mr. CANNON of Missouri. The proposition here is to dispose of surplus material. We have nothing to do with the operation.

Mr. HARE. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Carolina.

Mr. HARE. The War Department and the Navy Department have training schools in which they are furnishing instructors for persons in the Army and the Navy. They could use this material. The Office of Education has \$90,000,000 to be used in training men for industry, and they have instructors.

Mr. SPARKMAN. But the \$90,000,000 is a reduction of the amount budgeted. No one is more anxious than I am to see this amendment adopted making possible the transfer of this equipment to the educational agencies. I think our war effort demands that it be used to the fullest. But I fear that with the reduced appropriations for vocational education we may be doing a futile thing. We are certainly imposing an added responsibility upon our educational agencies in that we are asking them to take over some of the training work formerly done by N. Y. A. The schools will do that job to the best of their ability, but we should have voted increased appropriations to make that possible.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, under the terms of this motion "the property shall be turned over to any other Federal agency," the National Youth Administration having been created by Executive order, could not the President create

another agency by Executive order and use the funds he now has on hand and have this property turned over to that agency, under that term "any other Federal agency"?

Mr. CANNON of Missouri. There is no provision under which this could be used for that purpose.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, will the gentleman in addition to yielding me 1 minute also yield for the purpose of offering an amendment to the committee amendment?

Mr. CANNON of Missouri. Will the gentleman defer that for the present?

Mr. HOBBS. Very well.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the Record on the question of the bill, S. 35, the silver bill.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, as I read the latter part of this motion made by the gentleman from Missouri it will not take care of such situations as the one in which I am interested, where the N. Y. A. is operating a training center on property owned by one of the counties in my district, in buildings owned by that county. There is no provision made in this motion to let that county continue to operate that training center.

Right near the city of Atlanta we have a bomber-assembly plant which will employ 29,000 people. It is just getting ready to go into production. They need to train many workers there. It seems to me it does not make sense to pass a motion of this sort, which will not give that county an opportunity to take its own funds and operate this machinery for the purpose of training people in that community to work in a war plant. Therefore I am not going to support the motion unless it is amended. I hope the House will vote it down so that it can go back to conference and they can write it so that it will be workable.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, I think the gentleman from Georgia [Mr. RAMSPECK] is mistaken in his interpretation of this amendment. I know it is the intention of this committee, and the chief clerk, who has been with the committee many years and who is conceded to be an expert, advises that the language is broad enough to include such a situation as the gentleman describes. Certainly it is the

avowed intention of the committee that it shall. I might say that I have a similar situation in my own district, where there is a modern up-to-date N. Y. A. shop that has been training approximately 200 young men and women for work in war industries. I raised this same question at the time the committee was trying to agree on the language and was assured then that the language is sufficiently broad to include a project of this kind.

Mr. RAMSPECK. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I yield.

Mr. RAMSPECK. If I understand the language, the property must be first offered to other agencies of the Government before the county authorities have any chance to take it over.

Mr. JOHNSON of Oklahoma. That is correct, on the theory that the armed forces, if they need these facilities, must have first call. I believe that is the intention of the membership of this House to use these facilities for the war effort if it is possible to do so. Then if no war agency wants it, let the city, town, or county public-school system take it over and operate it if it can find a way to pay the trained personnel to do so. Of course, such an arrangement may not be satisfactory in many instances, but it seems to be the best arrangement that can be made under the present circumstances.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. HARE], chairman of the subcommittee which originally had charge of this legislation.

Mr. HARE. Mr. Speaker, I shall direct my remarks primarily to the inquiry of the gentleman from Georgia [Mr. RAMSPECK], because I am interested in projects or proposals similar to the one he has referred to and have reached a conclusion somewhat different to that expressed by him. The amendment provides that all property of the National Youth Administration is declared surplus by this act and that all equipment, materials and supplies shall be inventoried and turned over to the Director of Procurement in the Treasury Department to be disposed of according to the act of August 27, 1935; it provides further that, under certain conditions, all such property may be loaned to a State or other vocational educational authority to be used for educational purposes within the State and county where located during the remainder of the war and 6 months thereafter, provided that application is made by a State or other vocational educational authority within 90 days after the passage of this bill, provided such property is not required by any other Federal agency, such as the War Department or the Navy Department, both of which have been and are still engaged in giving young men and women training similar to or corresponding to that formerly given by the National Youth Administration and the United States Office of Education.

My understanding is, therefore, that the Army and Navy shall first be entitled to these properties, as provided under

existing law, and after that the United States Office of Education may be entitled to such properties if it can be used in its vocational educational program. Therefore, a State, or State vocational educational board, or a county vocational educational board will have a right, through the United States Office of Education, to make a requisition for these properties and will be entitled to same in case a requisition is not first made by the War Department or the Navy Department.

I am sure the gentleman from Georgia has in his county and his State a vocational educational board, either of which may be classed as "another governmental agency" and would be entitled to this material, equipment, and so forth, for use in their vocational schools. This is my interpretation of the amendment.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. RIVERS. The Lanham Act does not provide any money for vocational training, and that is where they get the money from.

Mr. HARE. Oh, no; I think my colleague is mistaken, for we passed a bill only a few days ago carrying an appropriation of \$90,000,000 in the way of grants to the States for use in the vocational-education program of defense workers. Under the proposed amendment the United States Office of Education, a State or county vocational education board may file application for the buildings, equipment, materials, and so forth, of the N. Y. A. and use it during this emergency and 6 months thereafter without compensation.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from New York [Mr. TABER] 4 minutes.

Mr. TABER. Mr. Speaker, I do not know whether I can clear this situation up or not, but I intend to try.

The authority given here to turn things over to other Federal agencies has to be construed as limited to those agencies that would have funds available to pay for the stuff. Nothing can be turned over to any agency that does not have the money to pay for the stuff, and they have to get the money by securing an appropriation. The only agencies that would have the money would be the Army and the Navy. That is the situation exactly as it stands.

The committee wants to make available to any State vocational school or any local school in a school district, whatever it might be called, the material and machinery that the N. Y. A. has so that it could be put to use.

Frankly, should the Army and the Navy need it for factories that they are directly or indirectly operating, that is what it ought to be used for. There are a lot of factories that could use this material to very good advantage. Frankly, I am not sure but what we would be better off if the stuff was sold to the factories, but there seems to be a very considerable sentiment that the vocational schools, where they are in need of this

machinery, might have the opportunity to use it, and that is what we provided.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. In just a moment. It is absolutely impossible to allocate any of the President's funds for such a function as the N. Y. A. under the limitations that have been set up; it is absolutely impossible for the Department of Education to go ahead and do anything of this kind for the funds that have been appropriated to them are for allocation to the State schools and the State commissioner of education could not go ahead with funds that have been allocated to him.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, we all know that if the Army and the Navy really need this material and want it they can get it anyway.

Mr. TABER. They will get it, if they want to make use of it, and they ought to.

I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that the title to the buildings and the equipment that is a part of the buildings generally is in the local community, in many instances, where it has been used for vocational education, where they have used both the buildings and the machinery?

Mr. TABER. Well, that is true to a very large extent.

Of course, the N. Y. A. activities were so far beyond anything that many of us imagined, such as conducting model dairy farms with bureaucratic cattle and all that sort of thing, that it is almost impossible to conceive of the activities and the extent of the activities in which they were engaged. The thing ought to be liquidated and sold immediately.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE. Is it not a fair construction that the priorities that the Federal agencies will have is limited to purchases, and that the availability of the property to the States and local communities is limited to borrowing for the duration of the war, and that the property neither sold nor loaned will remain in the custody of Treasury Procurement, if personal property, and of the Public Buildings Commissioner if real property?

Mr. TABER. That is correct, except that the property neither sold to other Government agencies or loaned, will under the rules, be sold to the public.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 147, noes 37.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement. The Clerk read as follows:

Amendment No. 24: On page 13, line 6, insert "Department of Agriculture."

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that this amendment be passed over until after we dispose of No. 26, inasmuch as they relate to the same subject matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 25: Page 13, line 7, insert:

"FEDERAL CROP INSURANCE ACT

"Administrative and operating expenses: For an additional amount for operating and administrative expenses under the Federal Crop Insurance Act, approved February 16, 1938, as amended (7 U. S. C. 1501-1518; 55 Stat. 255-256), fiscal year 1944, \$4,318,748, and the proviso contained under this caption in the Department of Agriculture Appropriation Act, 1944, is hereby repealed."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House adhere to its disagreement to the Senate amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House adhere to its disagreement to the amendment of the Senate No. 25.

Mr. COOLEY. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. COOLEY moves that the House recede from its disagreement to the amendment of the Senate No. 25 and concur in the same.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina.

Mr. COOLEY. Mr. Speaker, I shall not make exactly the same speech that I have made on at least five occasions with reference to this crop-insurance program, but I do want to advise the House of the position taken by the farm leaders of America: First, Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, advises us to "retain the crop-insurance program for wheat and cotton until further trial of this program can be made." He says further, "I think it will succeed."

Mr. James G. Patton, president of the National Farmers Union, says this:

Our established crop-insurance program should be retained. We are just really getting started.

Mr. Robert Handschin, regional secretary of the National Farmers Union, says this:

The feed and food supply of our Nation for 1944 can be irreparably damaged if crop insurance is denied on winter wheat to be planted soon and Congress should recess until after Labor Day.

Mr. Albert S. Goss, master of the National Grange—and I believe everybody will admit that the National Grange is a very conservative farm organization and that Mr. Albert Goss is a very able man

and is very familiar with the problems of agriculture. He says this:

The need for a workable plan of crop insurance has long been apparent. We believe the plan should be continued and this program gradually broadened as experience justifies.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VOORHIS of California. And may I add this, that as I understand it today, the Government is helping to carry the crops of those farmers who plant crops essential to the war effort, such as hemp, soybeans, and other oil-yielding crops.

Mr. COOLEY. The gentleman is correct.

Mr. Speaker, I should like also to call attention to the fact that the Senate of the United States has insisted upon continuing this crop insurance program. The Senate has had several record votes on it and on each occasion has gone on record as favoring a continuance of the program. It seems to me that when all of the farm leaders—and Mr. Edward O'Neal has been championed on many occasions by the gentleman from Illinois and the gentleman from Missouri—insist on this program, that in this emergency we should not hesitate to renew the program which was certainly initiated and devised in the interest of the farmers. If we fail to renew the program, how can we return to our districts and look our constituents in the face and explain to them why we wrecked the program which was inaugurated just a year or so ago in their behalf?

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOBBS. Does not the gentleman believe it highly significant that a dole is included in this bill, something against which some of us have been inveighing for a long time?

Mr. COOLEY. Yes; I think it is very significant.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VOORHIS of California. I think the crop-insurance program, while it may not have worked as well in the short period of time in which it has been in operation as some people had hoped it would, that it does go a great way in helping solve the agricultural problem.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HARE. We are now considering \$15,000,000 for relief for agriculture. If these farmers had been encouraged and permitted to take insurance, this appropriation would not be necessary. The amount that we are losing on insurance today is not half of \$15,000,000. If we continue the policy of giving relief to farmers whose crops are destroyed by flood, by rain, by hurricane, and so forth, it will cost us not \$15,000,000 but from twenty to fifty millions.

Mr. COOLEY. I thank the gentleman. He is entirely correct. Do the Members of this House whose constituents have entered into these insurance agreements

realize what the situation is? What will the gentleman from Missouri say to his farmers? Or gentlemen from the great State of Nebraska have to say to the 67,000 Nebraska wheat farmers who have contracts with this Corporation? Or the gentlemen from the State of Kansas, where 42,000 wheat farmers have made similar contracts? Or gentlemen from the State of Ohio, where 40,000 farmers have insurance contracts?

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, will the gentleman yield me 3 additional minutes?

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. SPARKMAN. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Alabama.

Mr. SPARKMAN. Is it not true, too, that the contracts that are now out were written on a 3-year basis and those farmers took them with the understanding there was protection for 3 years?

Mr. COOLEY. The gentleman is correct; and although the contract contained an escape clause, everyone knows that the farmers signed those contracts in good faith, believing that the Government would carry out its part of the contract and continue this Corporation for at least 3 years.

Mr. GAVIN. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I wonder if the gentleman will tell us where we will get the money to pay all these losses?

Mr. COOLEY. Yes; I can tell the gentleman that. In this program the wheat farmers of the country have themselves contributed \$35,000,000 to a total loss of \$55,000,000 which otherwise would have been provided perhaps in relief funds.

Mr. GAVIN. The American taxpayer has got to get relief somewhere. We should stop some of these losses.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. To the gentleman who just spoke about relief for the taxpayers, will he listen?

Mr. GAVIN. Yes, I will be glad to.

Mr. ZIMMERMAN. We have been paying over a 10-year period \$65,000,000 for relief to agriculture. That has come out of the pockets of the taxpayers.

Mr. GAVIN. A great many of them in my State, 11,000,000 people, too.

Mr. ZIMMERMAN. If you are concerned with getting away from the problem of public taxation, why do you not let us work out a program here, and give us time, so that the farmers can carry this relief and relieve your taxpayers of that burden? If you want to do that you ought to come and join us.

Mr. GAVIN. Why do you not work out a program where we will break even instead of having these losses?

Mr. COOLEY. It would be absolutely unreasonable to expect any set of administrators to devise an actuarially sound program in the short period of time that this corporation has operated.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, for 5 successive years we have tried this experiment and each year the losses to the Government have been astronomical. Every year they have said, "Give us 1 more year and we will make it self-sustaining." Each time we have given them 1 more year and each year the losses mount.

Let me give you a little personal experience. The first year crop insurance was introduced I insured my own wheat because I thought I ought to have some personal acquaintance with all services provided for agriculture. At the end of the season I found I had lost money by insuring. In my district, which is a wheat district, and in which every farmer who cultivates his land includes wheat in his rotation, a large number insured and they all lost money. Here is the distinction. On land on which you are going to make a crop 4 years out of 5 insurance involves a loss but in the marginal areas where you are sure of losing the crop 2 years out of 3, it is a profitable investment because you can go ahead and plant and you know you are going to collect either from the Government or the crop. Usually it is the Government that pays. That means that in the marginal areas the farmers who insure are betting on a sure thing. In my Congressional district where many farmers took insurance the first year I have not had a single request for continuance of insurance or a single letter about insurance for 3 years.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I have not had a farmer in 13 counties write me and ask me for this since the agitation has been on.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The gentleman's district is partly in the Missouri River Valley. Crops have been utterly destroyed there. The wheat crops are gone. If there ever was a time when crop insurance was justified, it is under the conditions that obtain in your very congressional district, or a part of your district this year, and if we are ever going to help these farmers in times of distress, when we have insect infestation, when we have drought, when we have floods such as we had this year, crop insurance is the program, if you will give it a sufficient time to be worked out. Let me call the gentleman's attention to the fact that no life-insurance company was ever able to get on a paying basis except after a long period of time and the expenditure of a lot of money. Why do you not give the farmers of America a chance to carry their own relief?

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I will take 2 additional minutes.

Mr. Speaker, my good friend from Missouri, for whom I have a deep personal affection, seems in this instance to know more about our farmers than they know themselves. In those areas the land is good and where we lose a crop 1 year out of 5 it does not pay to insure. If it paid the farmers to insure they would insure, but whereas a very large number insured when crop insurance was first initiated, the number has steadily declined. That is conclusive proof of the attitude of the farmers themselves.

And there is not a single taxpayer in the State in the gentleman's district or out of it that favors paying these enormous losses every year.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think the gentleman from Missouri has touched the sore spot on all of this insurance. In the areas where it is customary to have crop failures about 4 out of every 5 years, they need the insurance, and there is also where the yield is small when they do have a crop, but the premiums in those areas are so high that it takes about half of the average yield to pay the premium and to cover the cost of the insurance. In the other areas—like the gentleman from Missouri [Mr. ZIMMERMAN]—where you had a flood this year, you may not have another destruction of crops there in 30 years.

Mr. CANNON of Missouri. In conclusion, this matter has been before the House repeatedly. Every time it has been before the House it has been voted down. It has been voted down on standing votes, on teller votes, and on yeas-and-nays votes. It has been voted down because it is an unconscionable charge against the Treasury. The taxpayers are opposed to it because they object to being saddled with this recurring deficit every year, and because the farmers themselves do not use it, because it does not pay on good land.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I hope the House will not yield upon this amendment. The House has taken this position many times. The Senate itself yielded on this item by a very substantial majority when the agriculture appropriation bill was under consideration.

There is a large expense to this program and it is being availed of by fewer and fewer of the wheat farmers where it has been tried year after year. What is the use of going on with something that does not develop into a useful activity for the people?

Mr. CANNON of Missouri. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, in view of the lack of information and erroneous information which the chairman of the Appropriations Committee made mani-

fest in his statement, and which the distinguished gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] aided in spreading, I must call your attention to a primary fact upon which the crop insurance program stands, and has operated from the beginning.

Crop insurance does not insure dollar for dollar. It does not insure crop for crop. It insures 75 percent of the average crop over a period of years, actuarially established. Many farmers cannot get crop insurance because they do not have sufficiently adequate records to show over a period of 5 years what the crops have been. Therefore it is utterly impossible for any farmer who has had a crop failure "2 out of 3 years" to get any insurance at all. He could not afford to pay the premium for so little insurance—75 percent of his average annual crop on a 5-year basis. No such insurance policy has been written. The crop insurance program is for the purpose of aiding those who wish to establish at their own expense, without cost to the Government over a 10-year period and beyond, a stable economy for agriculture by guaranteeing up to 75 percent of their average annual crops for 5 years, when and if they should have one crop failure.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield for a question.

Mr. GAVIN. If the gentleman had a business that was losing \$44,000,000 a year, would he continue it?

Mr. HOBBS. I certainly would if I could afford it, and was sure it would pan out within a reasonable time. You may laugh if you please, but that shows to my mind the temper of this House. They are running a steam roller over everybody who is in disagreement with the Committee on Appropriations. Every time the distinguished gentleman from New York [Mr. TABER] laughs—and he is one of the finest Members of this House—he wants everybody else to duck and hide and not come out of their storm cellars until he has worked his will.

I say that a business like crop insurance if it had sustained a loss of \$44,000,000 a year, and that supposition is according to your estimate which is not true, ought to be continued at least during the 10-year test period to show that it will come out of its doldrums just as life insurance and every other kind of insurance did. But the \$44,000,000 the gentleman from Pennsylvania talks about is not the loss per year, but for the first 4 years. That shows how little the gentleman from Pennsylvania [Mr. GAVIN] knows about the business record of crop insurance.

I call your attention to the fact that what I prophesied the other day in my argument for crop insurance continuation is happening right under our noses. The very next amendment following this one, on page 13, is a provision to give free gratis and for nothing to the flood sufferers out yonder on the Mississippi and Missouri and other rivers \$15,000,000. In other words, we will not allow the constituents of the gentleman from Missouri [Mr. CANNON] to insure themselves

against loss—we give them this money, a \$15,000,000 dole. When such gratuities are thus advocated, and this one has been approved by the Senate, why should farmers buy insurance against crop failure or destruction? Why should farmers pay premiums for that which Congress may give them for nothing? There is this dole handed out here in the very next amendment, and the gentleman from Missouri says the farmers of Missouri do not want crop insurance. Do they expect a dole? They, and all others, may well do so if we kill crop insurance.

Mr. COOLEY. If the gentleman will yield, I want to correct one erroneous impression. We have not lost \$44,000,000 a year.

Mr. HOBBS. Certainly not. That has been the total cost of both losses and operations for the whole 4 years.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, this is a compromise amendment reducing the amount from \$7,000,000 to \$4,000,000.

Perhaps I can consume my time best by explaining this matter to some of you who seem to misunderstand completely the insurance program. The gentleman from Missouri said the insurance is now being used only on the marginal farms which have never produced a crop. That cannot possibly be true because no marginal farmer can pay the premiums.

This insurance on crops is issued exactly like the insurance on your life, on experience. Two farms in the same neighborhood have different rates. They get your production for the last 10 to 20 years as the figures are available, and your premium is fixed on the basis of the experience of that farm. No marginal farm which has suffered repeated crop failures can afford to pay the premiums. If you have made good crops in the years past, you have a low premium. If you have had poor crops you have a high premium. The program itself denies the statement made by the distinguished chairman of the Committee on Appropriations.

If you are in a few moments, under the next amendment, going to give to the constituency of the gentleman from Missouri \$15,000,000, as a pure hand-out, after the Farm Security Administration has already been there and given millions to the farmers in the form of grants, after you last week voted \$10,000,000 for the same group to rebuild their roads and their dikes—if we can spend that much money for those unfortunate farmers—what is wrong with appropriating approximately 25 percent of that amount in order that the other farmers of this Nation may have the opportunity to insure themselves against these hazards? Shall the Congress adopt a policy today, "No, we are not going to permit the farmers to pay premiums to insure themselves, but we are going to wait until a disaster comes and then appropriate millions and millions as a gift"? I beg you not to put yourselves and not to put this Congress in the position of adopting any such policy at this time.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Speaker, there ought to be a time somewhere down the line when we finally settle an issue.

Now, let us trace the history of this thing for a few minutes. This House has deliberately debated and considered and voted against crop insurance, not once, not twice, but a number of times—five times, I am told. The matter was considered by the Agriculture Committee. It was brought into the House by the gentleman from Georgia [Mr. TARTER]. It was voted out of the bill after debate, after heated debate; it was reinserted by the Senate; it was brought back here any number of times and considered by this House, and those gentlemen who have spoken about it today have stated their case, and time after time this House has voted overwhelmingly against it. The last vote taken on it in the agricultural bill, a very unusual procedure, was to adhere to our disagreement to it, which meant that if the Senate did not recede the bill would be killed; and the Senate receded. Notwithstanding that fact, and notwithstanding the repeated disapproval expressed by this House, they reinsert it in this deficiency bill, and here it is back again today.

Now, I do not know too much about crop insurance. I do know that the evidence has shown us everytime we have had it under consideration that it has been a colossal loss, and that it threatens to be even a larger loss to the Public Treasury; that it has not demonstrated it is any real help to the farmers, but many, many leaders of farm organizations have spoken against it.

Mr. ZIMMERMAN. Will the gentleman yield to correct a misstatement?

Mr. WOODRUM of Virginia. I yield.

Mr. ZIMMERMAN. I will say the losses have increased in the wheat program every year it has been tried, and that was the evidence before your committee.

Mr. WOODRUM of Virginia. The losses have increased?

Mr. ZIMMERMAN. No. The cost of this program has increased from year to year.

Mr. WOODRUM of Virginia. I think last year the loss was about \$45,000,000.

Mr. COOLEY. Oh, no. The loss over the entire program has only been \$44,000,000.

Mr. WOODRUM of Virginia. I base my appeal to this House on this fact: We have passed on this time and time again, and the House has settled the issue, and I do not believe we should reopen it now.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, let us break this problem down a little bit and see what it is like. There will be no controversy about the figures, because here is a 1,800-page record before me, which

is the record of the Crop Insurance Corporation itself.

In 1939 on wheat alone the farmers paid in three and four-tenths million in premiums. The Government paid in four and one-half million, in the form of expenses, making a total of just a little short of eight million. That is the contribution of the farmer and the Government—\$8,000,000. And how much did the farmer get? He got five and six-tenths million out of eight million that was contributed.

In 1940 the farmer paid in a little over nine million in premiums. The Government paid in five and three-fourths million in expenses, making a total of \$14,800,000. How much did the farmer get? It cost us \$14,800,000 to give the farmer about \$13,800,000.

In 1941 the farmer paid in in premiums \$7,000,000. The Government put in five and one-fifth million in expenses, making a total of twelve and two-tenths million dollars. How much did the farmer get? He got \$14,000,000 in indemnities, but it cost us twelve and two-tenths million to give it to him.

In 1942 the farmer paid in eight and four-tenths million in premiums. The Government paid seven and nine-tenths million in expenses, making a total of \$16,300,000 that the farmer and the Government made in premiums, contributions, and administrative expenses. How much did the farmer get? A little over \$12,000,000. It cost us \$16,300,000 to give the farmers only \$12,000,000.

Now, here is about the way it works out: There is no controversy about the figures. These are the record figures. Let us assume that you are going to give every farmer \$2.12. Then you say, "Now, Mr. Farmer, before we do so we are going to take a premium from you and then we are going to add some expenses, so that in order to give you \$1.12 of the \$2.12 it is going to cost us \$1 to give it to you." It cost \$1.12 either from the farmer or out of the Federal Treasury for every dollar that the farmer got. Is there any rhyme or reason or sense to that? For every dollar returned to the farmer, we collected 62 cents in premiums from him and added 50 cents in administrative expenses. Thus, it cost \$1.12 in premiums or expenses for each \$1 received by the farmer.

It is now stated that in another section of this bill provision is made for a dole. Let me ask those gentlemen who have raised that question, When there are only 970,000 cotton-insurance contracts, what are you going to do with the other eight and one-half million cotton farmers who did not take out any insurance?

What about them? Does that dispose of this dole question? It does not. When you talk about wheat, when you talk about the wheat farmer, about 450,000 or 500,000 of those who were disposed to take out crop insurance, do you think they are going to escape the dole if this is going to be put on a dole basis? What of the other thousands of wheat farmers who have not participated in the program?

When we are talking about this flood matter, we are dealing with a wholly

emergent situation that arises once in a long time, and yet they want to hold that up by way of an emergency as against a permanent program that has resulted in a loss of \$41,000,000 in four years on one commodity alone and a loss of \$1,550,000 on cotton for the first year it was insured.

The gentleman from North Carolina referred to Mr. Handschin, the legislative representative of the Farmers' Union, and who appeared for more than an hour before our committee. He is for crop insurance; he is for extending the plan; he favors extending it to corn; he is for extending it to a great many other commodities, so that the losses might be infinitely greater to the taxpayers of this country every year on the basis of present operations. He is the same Mr. Handschin who, when he testified before the committee, said that he believed in an unchallenged Federal control of all agriculture. Yes; he is for crop insurance; he is for something more; he is for complete domination of every farmer in the land by the Federal Government and for extension of the whole control program. So, when they cite this gentleman as a witness, let us take him as a witness in his full capacity, his full record on every phase of the agricultural program.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield to the gentleman from Georgia.

Mr. PACE. Will the gentleman also advise the House, in his discussion, concerning the viewpoint of Albert S. Goss, who said that he was in favor of crop insurance and of extending this program as experience justifies?

Mr. DIRKSEN. Yes; I will answer the gentleman.

Mr. PACE. And also Mr. Edward O'Neal, of the Farm Bureau Federation?

Mr. DIRKSEN. Yes. Mr. Goss has never spoken to me about the crop insurance. I have seen Mr. O'Neal on some occasions, and he has never stated to me personally or over the telephone, or in any other manner that I modify my position on crop insurance, and yet he knows that I have been rather active in the liquidation of this agency that has lost money ever since it started operating.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CANNON of Missouri. I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Speaker, the House has voted this down repeatedly, and the Senate finally receded, and it was taken out of the agricultural appropriation bill. It is back now, because Members of the other body who are interested in this matter have hooked it onto the deficiency appropriation bill. Since the Senate has already receded on this item, why should it not recede again if it expects to pursue a logical and consistent course?

The House should vote down the preferential motion of the gentleman from North Carolina and should stand by the motion of the gentleman from Missouri to adhere to our position and not recede from the position we have consistently

taken by an overwhelming majority at least four times in this body.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. PACE) there were—ayes 52, noes 123.

So the motion was not agreed to.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 26: Page 13, line 15, insert "That in order to aid in the temporary rehabilitation of farmers whose buildings, crops, livestock, machinery, and equipment were destroyed or damaged, in whole or in part, by floods in 1943, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide relief to any such farmer, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to replace or repair any property so destroyed or damaged, and to obtain the necessary seed, livestock, and equipment to enable him to continue farming operations, and for that purpose there is hereby authorized to be appropriated the sum of \$15,000,000."

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. COOPER). The gentleman will state it.

Mr. TABER. Mr. Speaker, is amendment 25 or 26 up now?

The SPEAKER pro tempore. The Chair is advised that the House is now considering amendment 26.

Mr. TABER. And the motion before the House is that the House insist upon its disagreement to Senate amendment?

The SPEAKER pro tempore. The motion is that the House adhere to its disagreement to amendment No. 26.

Mr. WHITTINGTON. Mr. Speaker, no man in this body has rendered more effective service in behalf of flood damages and flood sufferers than the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CANNON of Missouri. Is the gentleman in favor of the motion or opposed to the motion?

Mr. WHITTINGTON. I am in favor of the motion, but I want to make a statement with the gentleman's permission in support of the motion he has made. I should like to repeat, Mr. Speaker, that I know of the profound interest of my devoted friend, the chairman of the Committee on Appropriations, in behalf of flood damage and flood sufferers of his and other districts. He is to be commended upon the motion he has made. I trust that neither the Senate amendment or any similar substitute will be brought back to the House.

Mr. Speaker, the amendment of the Senate is wholly unnecessary and would establish an unwise precedent. It would provide for doles for the first time for flood or other similar sufferers. Heretofore Congress has provided in cases of floods or droughts loans, but Congress has provided for security on crops or livestock or equipment, and now in the war as in peace the Farm Security Administration under the supervision of the War Food Administration is authorized to make loans to flood sufferers to buy livestock and is authorized to make grants. The Senate amendment was certainly not carefully considered. The language is unusual in an appropriation bill. It concludes as follows, and I quote from the Senate amendment:

There is hereby authorized to be appropriated the sum of \$15,000,000.

Congress has heretofore made provision for earthquake sufferers. They provided, however, that the loans should be secured. In 1933 Congress passed a bill for the relief of earthquake sufferers in California.

Mr. HARNES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I shall be glad to yield, as soon as I finish my statement.

In 1934 Congress made provision for disaster loans for flood and other sufferers, but security was required. Disaster loans were authorized and provided for flood damages and rehabilitation in 1935 and in 1936, but security was required. There are now loans available to flood sufferers, but they require security. All disaster loans, all feed and seed loans, all livestock loans provide for security. The Senate amendment requires no security. The Disaster Loan Corporation is now authorized to make loans for damages or destruction by earthquake, cyclones, tornado, or floods, but security is required. The Farm Security Administration is authorized to make grants and to make loans to farmers whose property has been destroyed or damaged and to aid farmers to obtain livestock and equipment. The floods came late. The Farm Security Administration is authorized to make grants. It was urged in behalf of the continuance of the Farm Security Administration that during the war it was essential to make loans to farmers suffering from floods or droughts. The Farm Credit Administration also makes feed and seed loans, but the crop is given as security. The Senate amendment does not provide for either loans or security. I quote, "To provide relief." Relief is a dole. Loans and, in proper cases, grants are now authorized by the Farm Security Administration. There is no occasion for the Senate amendment. No such provision has ever been made for flood or drought sufferers. The amendment is unnecessary and unsound.

Secondly, it would establish a precedent that would destroy the principle of disaster loans for flood sufferers and cyclone sufferers and drought sufferers that have heretofore been made, and are now authorized. It would discriminate against those who suffered from the floods in 1942, 1937, and other years. This amendment is restricted to the flood

sufferers of 1943. Unless we mean to provide for a direct dole, which Congress has never provided for any sufferer, we should not agree to the Senate amendment. Congress has provided money to the Army to feed flood sufferers in years past, but doles or direct-relief appropriations without security have never been made.

We have provided money for the W. P. A. to create employment; we have made seed loans, we have authorized disaster relief loans for people in cities and towns and for people in the country, but security has always been required. We have authorized earthquake loans, but security was required. This is the first time that a straight loan without requiring security has been proposed.

The American Red Cross has provided food and shelter. It provides relief. The Red Cross has spent \$96,000 in Indiana to date to buy seed to aid flood sufferers; they have spent \$205,000 in Arkansas, Oklahoma, and Kansas; and in Missouri and Illinois the Red Cross has spent \$219,000 to date in the 1943 floods. Heretofore the relief program has been carried on by the Red Cross as they have done in the floods of 1943. They go in and feed people where they are hungry and have no food, to give them clothes where they have lost their clothes, but so far the Federal Government has always declined to provide direct relief or doles to flood sufferers.

I now yield to the gentleman from Indiana.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 additional minutes to the gentleman from Mississippi.

Mr. HARNESS of Indiana. I agree with what the gentleman said; I am opposed to the dole.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. HARNESS of Indiana. The question is: What are the Indiana farmers going to do along the Wabash River where year after year the river has been overflowing and destroying thousands of acres of crops?

Mr. WHITTINGTON. Those farmers have probably, if they can qualify, already gone to the Farm Security Administration; they have got their loans, they have given security on their property, their horses, their cattle, or their tractors. Under the provisions of this Senate amendment the farmer who now comes along without security and asks for a loan or grant will get it and there will be a discrimination among the flood farmers of 1943 and, also, among the farmers of the 1943 flood and previous flood sufferers. There is a discrimination against people who live in the country and in the towns, because disaster loans are applicable to town and country alike.

Mr. HARNESS of Indiana. The distinguished chairman of the Committee on Flood Control by the very nature of the studies his committee has made is familiar with the situation along the Wabash River. What we want to do is to get at the source and stop the floods that cause this damage.

Mr. WHITTINGTON. Then the thing to do is to support the bill I propose to bring before the Congress, later in the session.

Mr. HARNESS of Indiana. Does the gentleman have any such flood-control work in that area in that bill?

Mr. WHITTINGTON. As I stated in response to the gentleman's question, when the matter was up for consideration before, that we put \$10,000,000 in the pending bill for rescue and repair work on the Wabash and other rivers of the United States, which I call emergency legislation. I stand for comprehensive flood-control works along all rivers, including the Wabash, where the cost of the improvements is less than the benefits. I propose to submit a comprehensive flood bill for works along all rivers during the present Congress.

Mr. HARNESS of Indiana. But when are we going to get real and effective assistance? I recall, when the question was up before in connection with the sum the gentleman mentions, that it was made clear at that time that those particular funds would be available only on existing projects. As the gentleman states it, the funds would apply only to rescue and repair work.

Our problem, however, is to undertake comprehensive new projects which will afford real and lasting protection within the Wabash Valley. How soon, therefore, may we expect to authorize this new work which very recent unfortunate experience has proved to be essential?

Mr. WHITTINGTON. I trust before the session is over, but certainly during the Seventy-eighth Congress.

Mr. CURTIS. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Nebraska.

Mr. CURTIS. The gentleman should be commended on his position, and I would like to ask this question: If the entire \$15,000,000 is appropriated and spent it would not provide any protection against future flood damage, would it?

Mr. WHITTINGTON. Not at all and there would be a discrimination among the flood sufferers themselves and the Senate amendment would make no provision for the people who live in towns. Let us treat them all alike. Let us treat all flood sufferers of all years alike. We can do that under existing legislation.

I extend my remarks to reply to the gentleman from Missouri [Mr. CANNON] and to say that Congress has just appropriated \$80,000,000 for rehabilitation loans and grants for the fiscal year beginning July 1, 1943, to the Farm Security Administration. Provision is made for loans to farmers whose property was destroyed or damaged, in whole or in part, by floods in 1943, to enable such farmers to obtain seed, livestock, and equipment, but security is required. The livestock, the crops, and the equipment are given as security. One of the reasons urged for a continuance of rehabilitation loans to the Farm Security Administration now under the supervision of the War Food Administration was to provide for sufferers from floods,

cyclones, and droughts. Grants are authorized. I am advised that grants to the amount of \$2,000,000 were extended to flood sufferers in 1942. I am advised that grants to the amount of \$13,000,000 were extended to flood sufferers in 1941. The \$80,000,000 for rehabilitation loans, including grants, was available on July 1, 1943. Loans have already been offered to farmers out of the funds appropriated for the fiscal year ending June 30, 1943. There is substantially \$80,000,000 available for loans and grants. Just 7 days of the fiscal year have passed. If it should develop that additional funds are required for either rehabilitation loans or grants by the Farm Security Administration, there will be other deficiency bills and there will be ample time for supplemental appropriations.

For floods, droughts, and cyclones, under the American system, the Red Cross provides direct relief. They move in as soon as the disaster occurs. They feed those who are hungry. They provide clothes and shelter. They provide seed. The Farm Credit Administration makes feed and seed loans, but they take the security of the crops. The Farm Security Administration makes grants when the floods come late and the winter crops are destroyed so that farm sufferers can be tided over and they can make the crop the next year. That crop will be security for the loans with which to make the crop.

No man could be more sympathetic with flood sufferers than I. No showing has been made that existing appropriations are not sufficient for the flood sufferers of 1943. The fiscal year has just begun.

As I have pointed out, the Senate amendment is for \$15,000,000 and I quote the language of the amendment: "To provide for relief." It applies to rehabilitating the buildings, the crops, the livestock, the machinery, and the equipment damaged or destroyed in 1943. As I have stated, disaster loans require security. The acts providing for the loans stipulate security. The Senate amendment eliminates the word "loan." It contains only the word "relief." Relief and doles are synonymous. During the balmy days of the Work Projects Administration, Congress never provided for direct relief. It never provided for doles. It provided for work for the unemployed. If the floods destroyed the crops the W. P. A. provided for employment for farmers, but the Senate amendment is a departure from any and all legislation in any and all floods, droughts, or other disasters prior to the year 1943.

Any substitute for the Senate amendment that provides for loans, or in exceptional cases grants, in such manner and terms and conduct as the Secretary of Agriculture may prescribe would be just as objectionable. By eliminating the provisions that have obtained in all previous legislation for disaster loans or for rehabilitation that require security the Secretary of Agriculture would be authorized to make the loans without security. The fact that the provision that obtains in all other legislation requiring security is eliminated in any amendment that may be offered as a sub-

stitute for the Senate amendment would show that it was the purpose of Congress to provide direct relief or the dole. Such is contrary to the American system and to the policy of the United States.

If it be said that the \$15,000,000 proposed is to be administered by the Farm Security Administration, I answer that it will not be administered as other rehabilitation funds are administered. Security is not provided for, but the amendment is careful to provide that not to exceed a million and a half dollars may be spent for administrative expenses.

If additional funds for the flood sufferers, either as loans or grants, are required, the proper way would be to increase the appropriation available for rehabilitation loans to the Farm Security Administration under the supervision of the War Food Administration so that adequate loans and grants would be made to the flood sufferers of 1943. If an amendment for either grants or loans without security is offered as a substitute for the Senate amendment, it would undermine the Farm Security Administration and its rehabilitation program. If we are to have special legislation for every flood, there is no occasion for the continuance of the rehabilitation loans of the Farm Security Administration or for feed and seed loans by the Farm Credit Administration. It is the duty of the citizens to support the Government and not the duty of the Government to support the citizens. It is the responsibility of the Government to provide work or loans for those who suffer from flood and other disasters to enable such sufferers to help themselves.

I should like to say that the chairman of the Appropriations Committee is to be commended for including in the pending bill \$10,000,000 authorized by the House and the Senate to provide for emergency repair and restoration of all flood-control works damaged or destroyed by floods in 1943. The provision is applicable to all flood-control works damaged or destroyed in any State in the Union by floods in 1943, whether such works were constructed by the Government or by the local interests.

I know of no more satisfactory public works than flood-control improvements where the benefits exceed the costs of the works. For the next fiscal year no appropriations are being made for national flood-control works. They have been suspended for the duration. If floods continue, emergencies must be provided for. Works are being constructed to protect munitions plants. It may be necessary to construct works to protect the farms and the bread baskets of the Nation. Food is as essential as guns to win the war.

It may be said that there is no occasion for my argument inasmuch as I am in accord with the motion of the gentleman from Missouri [Mr. CANNON] that the House further insist upon its disagreement to Senate amendment No. 26. I am not speaking against a windmill. I am speaking against amendment No. 26. I am familiar with it. It is a combination of disaster, feed and seed, and Farm Security rehabilitation relief. Its

purpose, and I quote from the amendment, is—

to aid in the temporary rehabilitation of farmers whose buildings, crops, livestock, machinery, and equipment were destroyed or damaged.

Disaster loans have to do with the repair of buildings, rehabilitation loans with seed, livestock, and equipment. If it be argued that the Senate amendment is nothing more nor less than a Farm Security authorization or increase in the Farm Security appropriation, I reply that any such statement is without foundation. Farm Security does not make loans for the repair and rehabilitation of buildings. I agree that the Senate amendment gives no definite yardstick. That is the trouble. I recall that the amendment was first presented in the Senate to the emergency flood-control authorization for 1943 when the distinguished Senator from Oregon, the minority leader [Mr. McNARY], protested that it went beyond any previous legislation. The Senator from Missouri [Mr. CLARK] withdrew the amendment.

I am speaking because the chairman of the Appropriations Committee has made the motion to further insist. I want to strengthen and support his position. I want to prevent a motion to recede and concur with an amendment such as the gentleman from Missouri evidently has in mind when he says that his amendment is intended to provide additional funds for the Farm Security Administration. The distinguished chairman of the Appropriations Committee cannot expect more for the flood sufferers in 1943 than Congress has accorded to the flood sufferers in other years. If an amendment is offered in lieu of the Senate amendment to provide relief by loans, or in exceptional cases by grants, without requiring security, even though the purpose is to enable farmers whose property was damaged or destroyed by floods in 1943 to obtain seed, livestock, or equipment, such a substitute or amendment should not be adopted for it is not in accordance with existing law for rehabilitation loans or grants by the Farm Security Administration, and hence is not an increase in the authorizations.

The fiscal year has just begun. Heretofore I know that the Farm Security Administration has said, when appeals have been made for help for flood sufferers, that there should be an additional appropriation. I know that it is said that \$20,000,000 is available for administration and grants as against \$50,000,000 in 1941, but \$13,000,000, or approximately one-fourth, was used for grants in 1941. On the same basis at least \$5,000,000 of the \$20,000,000 should be available for grants in the next fiscal year. But, fortunately, as I have stated, the fiscal year has just begun and there is a total of \$80,000,000 available for rehabilitation loans, grants, and administration.

The gentleman from Missouri [Mr. CANNON] evidently is not familiar with the Senate amendment because he speaks of language that is not in the Senate amendment. He speaks of additional loans for the Farm Security Administration. There is no occasion for any new

language or any new authority. If it be shown that the appropriations for Farm Security Administration are inadequate for loans and grants, that appropriation should be increased and the fund should be handled just as other rehabilitation loans and grants have been handled in other floods during the present administration.

Any loans without a definite requirement of security, as is the case with disaster and rehabilitation loans, is nothing more or less than a dole. It is straight relief. The Senate amendment No. 26 is utterly untenable and unsound. The substitute that the gentleman from Missouri [Mr. CANNON], as indicated by his argument, has in mind is equally unsound. It is a departure. It is the first time that straight relief or straight dole has been proposed by any chairman of any Appropriations Committee in the history of the House of Representatives.

The Committee on Flood Control, in the acts of 1936, 1938, and 1941, has authorized flood-control projects in the principal river basins of the United States. I recall that in the act of 1936 some 18 or 20 projects were authorized along the Wabash River in Indiana. I do not know why they have not all been constructed. The local interests are required to furnish the rights-of-way for the levees. The projects were recommended, before Congress approved them, by the Chief of Engineers. I believe that I am warranted in saying that the Committee on Flood Control has heretofore approved all projects along the Wabash River, including local protective works and reservoirs along the tributaries on which favorable recommendations have been made by the Chief of Engineers. If any projects have been favorably reported since the Flood Control Act of August 18, 1941, they will be included in the next flood-control bill, which I trust the committee will be able to report during the present session, certainly during the present Congress.

I should like to say in this connection that Congress has authorized for general flood control about \$930,000,000. Five hundred and twenty-six million dollars have been appropriated. For the duration, flood-control appropriations are not being made. The appropriations to date, plus those required to complete projects already under construction, aggregate \$770,000,000. We have an apparent backlog of \$160,000,000 in authorized flood-control projects for construction following the war. This backlog is insufficient. I can assure the gentleman from Indiana, as well as other Members of the House, that the Committee on Flood Control is planning an adequate backlog of sound flood-control projects, including levees, flood walls, and reservoirs, where favorable recommendations have been submitted by the Chief of Engineers. These projects will be available for construction following the war. No appropriations have been made for flood control for the next fiscal year, as I have stated. If floods continue, emergency appropriations may be necessary to provide for the production of food, just as emergency appropriations have

been necessary to protect munitions plants. I advocate public works to provide for unemployment. The need following the war will be great. I know of no more satisfactory public works than sound flood-control improvements.

I trust that the House conferees will continue to insist upon its disagreement to Senate amendment No. 26, and that no motion will be submitted to recede from the disagreement to the amendment of the Senate with a substitute unless that substitute is in accordance with existing law and unless that substitute provides the same relief for the flood sufferers of 1943 that has been provided for the flood sufferers of previous years during the present administration.

The SPEAKER pro tempore. The time of the gentleman has expired.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. CANNON of Missouri. Mr. Speaker, my good friend from Mississippi who is fostering some of the most beneficial legislation that has been submitted to the Congress is in this instance charging a windmill.

In the first place the committee has moved to adhere to the last motion that can be made, and any criticism of the amendment is superfluous and beside the point. In the second place, he does not seem to have read the amendment very carefully because the amendment provides not for relief, not for a dole; it provides for none of the things he condemns so enthusiastically.

It provides only for bringing back this devastated area into production. Some of these areas on the Wabash River, on the Ohio, Mississippi, and Missouri Rivers, and their tributaries, including the richest land in the Nation, the breadbasket of America, have been covered with water, preventing the planting of crops, or crops already planted have been destroyed. There is still time for emergency crops this year, but these farmers, with everything swept away—buildings, machinery, stock, and fences—cannot get into production this season without some cooperation.

The second error into which the gentleman falls is that he attempts to differentiate between this and Farm Security. He says Farm Security provides for this. Why, certainly, and that is the purpose of this amendment. The amendment provides for administration by the Secretary of Agriculture through an existing agency and that agency is Farm Security. But while Farm Security has for the current year about \$136,000,000, it has for the coming year—the year for which this money is provided, the year for which we are now appropriating—only \$80,000,000. With much reduced funds and heavily increased needs this \$15,000,000 is necessary to take care of the situation in the manner to which the gentleman refers. The purpose of this amendment is to supplement the amount which Farm Security might spend for this purpose. The gentleman says Farm Security serves the need, but how can Farm Security serve the need with half the amount it had last year and with triple the need of last year?

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Would not the proper way be to increase the appropriation to the Farm Security Administration? I call the gentleman's attention to the fact, and I speak advisedly, the word "loan" is not mentioned in Senate amendment 26. There is nothing but relief mentioned in the Senate amendment from which I quote: "To provide relief." I knew whereof I spoke.

Mr. CANNON of Missouri. This provides for the very purpose the gentleman urges. The word "loan" is carried in the committee amendment which I was precluded from offering by the gentleman's opposition. The gentleman says this work ought to be done by Farm Security, but how can Farm Security do it without funds? He says we have the right agency, but he does not want to let them have money to operate. The only purpose of this amendment is to give the Farm Security Administration funds to encourage production of food in these flood-devastated areas.

Mr. NORRELL. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.

Mr. NORRELL. May I say that I am very much interested in this provision in the bill. I do not think we are doing anything new or unusual. We are appropriating millions of dollars for other things.

Mr. CANNON of Missouri. The gentleman is right. We are merely providing funds for continuing the program. The gentleman from Mississippi used 5 minutes in heated argument against the very thing he urges.

Mr. NORRELL. I want to compliment the gentleman from Missouri.

Mr. WHITTINGTON. If the gentleman brings in a supplemental appropriation for the Farm Security Administration under the War Production Board, I shall not have a word to say if it be shown that the \$80,000,000 appropriated, as the gentleman says, is insufficient, although the fiscal year has just begun.

Mr. CANNON of Missouri. We are in the last day of the session. We are trying to adjourn tonight, if possible, and, if not, we expect to recess tomorrow night. If the money is to be provided it must be provided here and now. This is the last opportunity. Here the gentleman is quibbling about the method. At this late hour there is no other method. Floods do not wait. Here is a chance to give the Farm Security Administration \$15,000,000 when they ought to have \$45,000,000, and resume the production of desperately needed food both this year and next.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I ask that the Clerk recur to Senate amendment numbered 24 which we passed over. We would like to dispose of that at this time.

The SPEAKER pro tempore. The Clerk will report Senate amendment numbered 24.

The Clerk read as follows:

Senate amendment No. 24: Page 13, line 6, insert "Department of Agriculture."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House adhere to its disagreement to Senate amendment numbered 24.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 14, line 3, insert:

"DEPARTMENT OF COMMERCE

"OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

"Development of civil landing areas: For completion of landing area construction previously undertaken by the Work Projects Administration at public airports, including all necessary engineering and administrative expenses in the field, \$8,832,000, to remain available until expended: *Provided*, That this appropriation shall not be construed as precluding the use of other appropriations available for any of the purposes for which this appropriation is made: *Provided further*, That any or all of the foregoing appropriation of \$8,832,000 may be transferred to any other Federal agency organized to undertake the work herein provided for either by contract or by force account, and such agency is authorized to proceed with such work."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendment numbered 27.

Mr. STEFAN. Mr. Speaker, I offer a preferential motion. I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Preferential motion offered by Mr. STEFAN: Mr. STEFAN moves that the House recede and concur in Senate amendment numbered 27.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, the preferential motion which I offer at this time is for the purpose of saving airports which are 50 to 90 percent completed and which may represent a tremendous loss to our taxpayers if they are not completed. I find myself in a very unusual situation in offering this motion. I had originally intended to offer a motion to recede and concur with the Senate amendment with an amendment. However, I learned that if I had offered such a motion I would not be allowed to speak on the subject, and the motion would have been voted upon without the possibility of explaining the motion or the amendment. Had I offered such a motion it probably would have precluded anyone else favoring the completion of these airports from talking. The opposition would probably have all of the time to speak because the opposition has control of the time. So the motion before the House now is to recede and concur with the Senate amendment No. 27, which has as its purpose the appropriation of \$832,000,000 for the completion of certain airports. I believe that approximately \$8,000,000 would

be needed to complete the original 28 or more airports in the original C. A. A. list. But members of the committee indicate to me that the other body has put in some items which the C. A. A. did not originally contemplate, and it has been suggested to me that perhaps we would be more successful in completing these meritorious projects if the amount was reduced. Therefore I had planned to offer a preferential motion to recede and concur with the Senate amendment with an amendment, but, fearing that we would be cut off from debating the amendment and precluded from speaking on the subject, I merely offer a motion to recede and concur, with the hope that we can offer amendments later in order to save a situation which is so important to national defense and for the continuance of our aviation program.

The membership of this House knows of my interest in economy. I am sure I have demonstrated time and again my opposition to waste and extravagance. I am sure that the membership knows of my continued efforts to eliminate non-essential expenditures. But here is an item where appropriations will save a gigantic investment of money in which the States, municipalities, and the Federal Government are interested.

I hope the membership of the House will pardon some repetitions regarding airports. I have spoken on the subject here so often that I fear that I may not get the undivided attention of the membership. However, there may be a number of Members here who have not heard my previous explanations, so I again tell you briefly what is involved in this bill.

When the W. P. A. started building airports, that Agency went into every State in the Union and urged communities to become interested in these projects. Many were started and many were completed. Many are now being used by the armed forces and have become a valuable part of our defense program. About 267 of these W. P. A. airport projects were in the so-called approved or completed and partially completed stage when W. P. A. liquidated. I believe about 103 of them were completed and are being operated. The Army and Navy took over about 71 of them and are operating them and it is assumed will complete them where necessary with Army or Navy funds. Only recently the Congress voted unanimously the reappropriation of \$99,000,000 to complete about 65 of them. This left about 28 of the original 267 airports without designation. These are the 28 airports involved in the bill under debate. Most of these 28 airports, including 1 in my congressional district—Fremont, Nebr.—are 50 to 90 percent completed. Others are scattered over many other States. I shall include a breakdown of them in the extension of my remarks for the information of the membership. These 28 airports represent a huge municipal, State, and Federal investment. I want to save that investment with this motion. It is from the basis of economy that I ask your support. Here are about 28 of those original 267 airports in which the municipalities, the States, and the Federal

Government have many millions of dollars invested. In many cases as in the case of Fremont, Nebr., the work is almost 90 percent completed and it will require but \$225,000 to complete. Many of you here today have airports in your districts in a similar condition. In many cases the runways have been graded; material is on the ground and if they are not completed now they will really represent waste. The municipalities in many cases have depended upon the agreements of the W. P. A. which made promises of funds to complete these projects. In many cases the W. P. A. had already allocated funds to complete them. But when W. P. A. liquidated, these funds, which had been earmarked especially to complete these airports, went back into the Federal Treasury and the airports were left high and dry with wind and erosion daily damaging the investments the taxpayers have in these projects.

I ask the membership of this House to consider the citizens and officials of these municipalities. The Federal officials in many cases went from community to community urging these officials to build airports on the basis that they were badly needed for national defense. Our patriotic city officials and our patriotic citizens answered the call. They held bond elections and went into debt to buy land. The State aeronautic commissions helped with State funds and the W. P. A. expended millions of Federal funds and airports were actually started and, as in this case, practically completed. I hope you will realize that this motion is in no way a pork-barrel proposition, but an effort to save a gigantic investment made by our taxpayers.

The C. A. A. recognized this fact. It recognized it because it made many surveys and recommended to the Bureau of the Budget that it be allowed a little over \$8,000,000 to complete these 28 airports. So the request here is not only my own request but it comes directly to you from the C. A. A. It also comes to you with a unanimous vote of the subcommittee and the full Committee on Appropriations of the Senate. But the House committee asks you to eliminate the entire item, which would leave these airports deserted and a great investment lost to our taxpayers. Because the C. A. A. deems it important that these airports be completed immediately, I feel that we should complete them. It will be argued that the Army has not designated these airports as of military necessity and that the W. P. A. contract gives the responsibility to the localities to complete them. My argument is that the C. A. A. says they are needed and should be completed. The W. P. A. had allocated the money for them, but the money is in our Treasury because the W. P. A., when liquidating, returned the money to the Treasury. There is no record that the Army and Navy say these airports are not needed. I predict that while we are talking on the subject some of them may be taken up by our armed forces, and certainly, if the war continues, they will be needed.

My colleague the gentleman from Nebraska [Mr. CURTIS] has one of these airports in his district. He has been working on that project diligently for a long time. He has done everything that could be done. I hope the chairman will give him a few moments to tell the story of that airport. I hope other Members who have these unfinished airports in their districts will ask for some time so that the House can have the full picture. I plead with the House to go along with us on this very important aviation program.

Twenty-eight airports under old W. P. A. program, which are 50 to 90 percent completed. C. A. A. has asked the Budget for \$8,000,000 to complete these airports. Budget will hold hearings on this request shortly.

California: Merced.
Colorado: Pueblo.
Connecticut: Danbury.
Georgia: Atlanta, municipal.
Idaho: Idaho Falls.
Indiana: Bloomington.
Iowa: Des Moines, Iowa City.
Kansas: Pittsburg.
Maine: Dexter, Eastport.
Michigan: Menominee.
Minnesota: Eveleth, Hibbing, International Falls.
Nebraska: Beatrice, Fremont.
New Mexico: Raton.
North Carolina: Burlington, Rockingham, Wilson.
North Dakota: Valley City.
South Dakota: Spearfish.
Texas: Henderson, Rusk County.
West Virginia: Clarksburg, Wheeling.
Wisconsin: Eau Claire, Oshkosh, Siren—Burnett County.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. CASE. I notice the Senate amendment provides \$8,832,000. The gentleman has suggested that had it been possible he would have offered an amendment. Would he have changed that amount and placed any restriction on the amendment?

Mr. STEFAN. I would have cut it down to around \$4,000,000 to save at least some of these airports and some of this investment.

Mr. CASE. Under the \$4,000,000 fund or whatever it was the gentleman had in mind—

Mr. STEFAN. The amount that some Members suggested was \$3,990,000. But that would not complete the projects under discussion.

Mr. CASE. If the amount were changed to that \$4,000,000 figure, would it permit the completion of the airports on which W. P. A. contracts had been entered into?

Mr. STEFAN. I believe that \$4,000,000 would at least save most of them and make them usable.

Mr. SPARKMAN. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Alabama.

Mr. SPARKMAN. If \$4,000,000 is all that is necessary, what is going to happen to the other almost \$5,000,000 that is carried in the bill?

Mr. STEFAN. In my opinion, that amount could have been used for concreting and cementing runways. With the \$4,000,000 we could barely hold the investment together and at least put these airports to some use.

Mr. SPARKMAN. What does the gentleman mean by saying "complete"? Does it include the paving of runways and the grading of space for administration buildings?

Mr. STEFAN. By "complete" I would mean paved runways and D. L. A. as contained on C. A. A. specifications.

Mr. O'NEAL. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, I hope very much that the House will agree to this proposed appropriation and complete most of these 28 airports in which we have invested many millions of local funds. It is not right to these communities which have given locations and some of which have spent hundreds of thousands of dollars to build these airports, for the Government to abandon these airports and not complete them. As was said by the distinguished gentleman from Nebraska, to leave these projects uncompleted would mean the loss of many more millions of dollars than it is estimated it would take to complete them. That ought not to be done. It is indefensible.

In my own district at Wilson, N. C., I noticed a report of the W. P. A. And it appears that only \$7,000 has been spent by the Federal Government, and \$326 by the local sponsors. As a matter of fact, the town of Wilson issued bonds in the amount of \$100,000 and has spent \$58,000 of that sum. The Federal Government has spent over \$100,000. There is \$158,000 that is practically sure to be lost unless \$50,000 or \$100,000 more can be spent in order to complete this project. That is the story on almost all the 28 projects here that have been left out of the completion program. The communities where the airports are located were induced to put up hundreds of thousands and even millions of dollars to acquire valuable property and start construction of these projects, and it is an outrage for the Government now to abandon them. They will ultimately be needed, if not now, and will be of inestimable value for 100 years to come.

I hope the House will agree to the motion offered by the distinguished gentleman from Nebraska. He knows more about these airports and about civil aeronautics and has the matter closer to his heart than any other Member of the House, and we should listen to his splendid information and follow his sound sensible advice. It would be a great injustice to these communities not to continue these projects and complete them. It would be unwise from every point of view.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky, [Mr. O'NEAL].

Mr. O'NEAL. Mr. Speaker, I can understand the interest of those who have airports in their districts, in wanting this motion not to prevail. It so happens that W. P. A. did many things be-

side build airports. They constructed many other things. I doubt if there is a man in this Chamber who has not some project that needs more work done by W. P. A. or by someone in order to complete it. I know that I have and I know that others have. It is human nature to want those things to be done, but I fail to see why you pick out a few projects, such as airports, and say, "We want those finished because of their importance," because there are many, many other projects which W. P. A. was undertaking that were also worth while.

Now, let us go back to what W. P. A. was organized for. It was said on this floor many many times in years gone by that W. P. A. was not doing this work just to furnish something nice to the communities. W. P. A. went to work to furnish employment to unemployed people. That was the whole purpose of W. P. A., to give people jobs; not to give cities and communities and States nice presents from the Federal Government. They have received millions of dollars worth of benefits while they were giving employment. But now that that is over, there is no W. P. A. to provide this employment and it is hardly compatible with the idea of W. P. A. to come back and say, "Now, you gave us so much you must go ahead and give us the rest of it."

Now, on these projects, the only possible excuse in my opinion, for going ahead would be that they would be of some importance to the war effort. The Army has taken the projects that W. P. A. was working on and has designated those that were of military importance, and those are being finished. Those that are before us today have not been so designated, so they stand as work done by the W. P. A. or others that may be worth while to the communities but are not of military value. I think the amounts mentioned here are so small that any State or city which has an airport partly finished, if it has the ingenuity and if it has the interest, can go out and raise that money and not expect the Federal Government to do it. I think it is time for the people in the States and in the cities not to look to the Federal Government for everything. The Federal Government, in the interest of relieving unemployment, has furnished tremendous value in property and in improvements to the States and the cities. This airport program is a great asset to those communities and they should undertake the completion of them themselves.

So, in conclusion, Mr. Speaker, these were not designed as a gift to the States. They are not needed for military purposes because they have not been so designated, and it is unfair on the part of the cities and the States to come in here and say, "Now, because you spent millions in my district you must go ahead and spend millions more."

I trust that the motion of the gentleman from Missouri [Mr. CANNON] will be agreed to, and I also hope that those communities will be a little more enterprising and do the job themselves, and not call on Uncle Sam to take over the burden.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I regret that I must disagree with my distinguished colleague from Kentucky [Mr. O'NEAL], whose good judgment in most instances I would rely on to the *n*th degree.

I know that if this country is wise, as it has been partially wise in the past, it will arrange for a great airport expansion program in all of the States of the Union. We should have, perhaps, 20,000 airports of varying sizes in this Nation. It is sound thinking and acting for Congress to develop its airport program. Each step we take in that direction is desirable.

I draw your attention to the fact that Florida had the foresight, prior to the declaration of war, to build a system of airports over a period of several years, and Florida today is outstanding as a State which was able to take care of the impact of war from the standpoint of aviation facilities for the Army and Navy. A visit to Florida airports, teeming with activity, will prove the strength of that statement. Civil Aeronautics Administration officials will tell you that Florida was in a preferable condition because of the work done under W. P. A. funds in the construction of airports. Of course local political subdivisions carried their full share of costs in the items of lands, and so forth.

I know airports that fall in the category of those mentioned today during debate. I have none of these projects in my own congressional district, but Clarksburg and Wheeling, W. Va., are in the list to be finished if the motion of the gentleman from Nebraska carries and we agree to the Senate view. A splendid airport at Morgantown, W. Va., in my district, builded with W. P. A. funds and local cooperation and supervised by the C. A. A. has been the means within the last month of saving in equipment to the Army Air Forces an amount of some several hundred thousand dollars. In what way? Three planes of the Army Air Forces, flying with small gasoline loads, under bad weather conditions, found it possible to come in and land. When further desirable development to this airport takes place it will mean that aircraft will find even more adequate facilities for safety and operation.

Of course, the Airport Approval Board, composed of the Secretaries of War, Navy, and Commerce, has not had occasion to say that these uncompleted airport projects, which we consider today, must be finished and are necessary in order to win the war; but the Civil Aeronautics Administration, through the Director of Airports, Mr. C. B. Donaldson, and the chief airport engineer, Mr. Phillips Moore, will explain to you that these projects, of which the gentleman from Nebraska [Mr. STEFAN] speaks, are vital to a continuance of a good civil-aviation program in this country and that these projects will be valuable in the prosecution of the war.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. STEFAN. Is not that the reason that C. A. A. asked for the completion of them, because they are needed, and there are 23 of them that are needed to round out the program which the C. A. A. went to the municipalities and urged the communities to bond themselves to build?

Mr. RANDOLPH. The gentleman is absolutely right. Military planes are flying in the vicinity of these airports and they are needed now. I can tell you that in the territory of one of these uncompleted airports today military craft are flying over at the rate of about 200 every 24 hours; before the war military planes were perhaps operating 18 or 20 craft in the same period of time.

Mr. Speaker, I urge the Members of this House to act wisely and agree with the position taken by the gentleman from Nebraska. Each airport completed or further developed is a link in the vital chain of sound national planning for peace and for the purposes of defense if war occurs.

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I hope this preferential motion of the gentleman from Nebraska prevails. It is one of the most important motions that has been before this body at this session. I am for the development of the airports of this country. We are far behind with the type of program that ought to be carried on. I will not here repeat the statements made by the gentleman from Nebraska and the gentleman from West Virginia, but those statements are fully true and correct.

In the district I represent, to be concrete with you, there is an uncompleted airport at Hibbing, Minn., and an uncompleted airport at Eveleth, Minn. Both of these airports are in the heart of the iron-ore industry. They ought to be finished. We do not know the day nor the month when the planes, for military purposes, may find it necessary to safeguard this section where now 80 percent of the iron ore in the United States comes from to be used in the manufacture of iron products.

At International Falls there is a third airport in my district that is uncompleted. It is on the Canadian border and if the enemy ever comes over that northern route, International Falls is on the line of travel.

Mr. Speaker, I say to you in the interest of national defense, in the interest of the Army, in the interest of the American people, that these airports ought to be finished so they can be utilized if the hour of emergency comes. These are just three instances.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield to the gentleman from Michigan.

Mr. RABAUT. Of course, the gentleman knows that if the Army or the Navy wants to complete any airport they have a right to do so.

Mr. PITTENGER. Yes, I realize that. They have already recommended the completion of some airports. I do not think they have had time to give consideration to what the development of airports in this country means, not only to the Army and the Navy, but to the American people in connection with the program of air transportation.

Mr. Speaker, there has been discussion this afternoon indicating that some Members have felt that the different communities should complete these airports. The short and practical answer to that is that these communities do not have the funds sufficient to do so. There have also been some remarks indicating that these were W. P. A. projects, and, if we complete them, it will set a precedent to complete numerous other W. P. A. projects that have nothing to do with the airport development. I do not approach this question from that standpoint.

It is my contention that we are way behind with airport development in the United States, and as I understand it, the major portion of this \$3,000,000 Senate item is to be used to complete the uncompleted W. P. A. airports. Every one of those airports were started because of their value to the country in the field of civil aeronautics, and, as I have indicated, airports in my territory have a value in our war effort.

It strikes me as nonessential to vote \$71,000,000,000, as we recently did, for the War Department, and then to quibble over an \$8,000,000 item in one of the most vital factors that effects America, namely, the development of aviation in this country.

It is true that the War Department has authorized to develop airports where it considers there is an emergency, and where it considers such development immediately necessary. I have had no control whatever over that program, and I know that the War Department has agreed to proceed with the completion of certain uncompleted W. P. A. airports. I feel satisfied that when they start to investigate they will come to the conclusion that the airports to which I have referred in this speech should be included in the War Department program.

But I want to approach this item of \$8,000,000 from another standpoint.

I have said on many occasions that while we are spending billions of dollars in a war for destruction of our enemy, we should not overlook our domestic problems, and that this includes the problem of transportation and other factors.

I think we can well afford to spend \$8,000,000 on airports, every one of which is now, or will shortly be, of vital importance in solving the transportation problems of America.

As I view it, the possibilities in the future of civil aeronautics is unlimited,

and we do not realize the great field of the future in this line of transportation. Not only will the airplane industry furnish passenger transportation, but it will make possible the transportation of freight, and I predict that the greatest development of the future will come with the development of this mode of transportation.

Compared with the program for civil aeronautics, and the development of air fields in the future, this item of \$8,000,000 for completion and development of a few air fields located in various parts of the United States becomes rather insignificant.

I think it a mistake for Congress to adjourn at this time without making this appropriation. So far as I am concerned I feel that we have neglected this great development of the airplane, and that Congress should have a special committee on civil aeronautics, or it should assign to one of its existing committees, the job of planning now for the development of airfields in every State in this country, so that the transportation, which is sure to be developed along these lines, will have this adequate equipment at its service when the post-war development period begins.

I urge the adoption of this motion of the gentleman from Nebraska [Mr. STEFAN] to recede and concur in the Senate amendment.

As the aviation industry makes progress they are going to need emergency landing fields. The remarks of my distinguished colleague from West Virginia [Mr. RANDOLPH] are timely and proper, and set forth in a most commanding way the need for this legislation.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Speaker, it must be remembered that there are W. P. A. projects and W. P. A. projects. It is true that in the beginning the W. P. A. work was mainly for the purpose of providing employment to those who needed work, but toward the last a lot of that work was being done with an eye on the war effort, and the people of the various communities were appealed to on that score; their patriotism was appealed to with an eye toward the war effort, and with that in mind embarked on the construction of these airports, and expended large sums of money moved by patriotism.

I would like to read, Mr. Speaker, with your permission, an excerpt from a letter I have received from J. A. Kastler, of Raton, N. Mex., former mayor of that municipality, concerning an airport in my own State, which I understand is 91 percent completed. Mr. Kastler states:

The city of Raton backed this venture in actual cash, having purchased 1,300 acres of land for \$13,000, and having contributed some \$15,000 additional in other improvements, and, besides, have had expenses regularly in maintaining the port as a designated landing field.

Though not completed, it is being utilized today in the war program. I quote

also from a letter I have received from Arthur Johnson, vice president and cashier of the Raton First National Bank. He states:

As you, of course, know, the airport is being used quite extensively for training in conjunction with Peterson Field at Colorado Springs. With some additional work I feel sure that this airport will measure up with the majority of airports in the country.

Mr. Speaker, what I have had to say with reference to the airport at Raton, which, as I say, is 91 percent completed, no doubt applies to other similar airports, and I think that the Congress at this time ought to do something to evidence its good faith to the people who have loyally supported this program and who have worked and expended funds to provide sites for the construction of these airports to aid the war program.

The SPEAKER pro tempore. The time of the gentleman from New Mexico has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CHENOWETH] such time as he may desire.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. CHENOWETH. Mr. Speaker, I am in favor of the motion offered by the gentleman from Nebraska. I feel that these airports should be completed at the earliest possible date.

One of these airports is located at Pueblo, Colo., which is in my district. This is the municipal airport and is now being used. However, certain work remains to be done before all of the improvements contemplated are completed.

To date the Government has spent \$317,819 on this airport. The city of Pueblo has contributed \$57,654, making a total expenditure of \$375,473. Under the C. A. A. estimate the sum of \$70,000 has been allocated to complete the project that was under construction when work stopped. If this amendment is adopted this amount will be available to install contact lights and pave taxi ways and aprons, in addition to other improvements.

Pueblo is rapidly becoming one of the air centers of the west. The Army has an air base located at this point. An instrument training program for pilots is being conducted under the supervision of the Pueblo Junior College. The Continental Air Lines have Pueblo as a stop on their Denver to El Paso route, and also on the Denver to Wichita route.

I mention these facts to indicate the importance of this airport. The flying weather in Colorado is considered most favorable by the Army. Very few days are lost because of bad weather. Large air bases are located at Lowry and Buckley Fields in Denver, another at Peterson Field in Colorado Springs and one at La Junta. I submit that it is highly desirable to complete this municipal airport at Pueblo so that it may be available for the use of the Army flyers in case of emergency.

Mr. Speaker, I hope this amendment will be adopted. I consider the completion of these airports at this time as most essential to our war effort.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, as a matter of sound business and economy we should support the motion of my Nebraska colleague. I will illustrate what is involved by telling the House about the airport in which I am interested.

The city of Beatrice, Nebr., had an airport of 160 acres where they were training about 50 flyers for the Army and Navy through C. A. A. program.

They have several plants there doing important war work. That airport was constantly used in our war program. Airplane parts and other war products were being shipped in and out of that port. Then the Federal Government through the W. P. A. came along and sold that community on the idea of voting bonds and enlarging their airport. They voted bonds and spent about \$80,000 of the city's money. The airport was enlarged and it enveloped the exist-

ing airport they had so it could not be used any more; it is gone. The Federal Government promised them in effect that they would finish it. The Federal Government sent its agents into that community and urged a bond issue to build a larger airport for the benefit of the aviation program of the entire United States. The W. P. A. spent over \$73,000 in addition to the sponsor's funds on that airport. A statement of the work and expenditures already made by the W. P. A. alone on the airport is as follows:

BEATRICE MUNICIPAL AIRPORT, BEATRICE, NEBR.

First stage of development: Grading, drainage, pavement, and incidentals for the construction of two runways, taxiway, and apron in accordance with plans approved by the Civil Aeronautics Administration to meet requirement for a class 3 airport.

WORK ACCOMPLISHED

Items of work performed or to be performed as of February 1, 1943, by Work Projects Administration and sponsor, the city of Beatrice, Nebr.

Item No.	Description	Quantity	Unit	Unit price	Amount	Percent complete
1	Clearing and grubbing.....	260	Acre.....	\$3.10	\$806.00	72
2	Removal of old fence.....	160	Rod.....	.35	56.00	50
3	Grading runways landing strips.....	4,800	Cubic yard.....	.39	1,872.00	3
4	Grading apron, taxiway.....	43,890	Cubic yard.....	.39	17,117.10	80
5	Field grading.....	8,000	Cubic yard.....	.39	3,120.00	6
6	12-inch subbase treatment.....		Cubic yard.....	.75		0
7	Fine sand for subbase.....		Cubic yard.....	.55		0
8	3-inch underground ducts.....		Linear foot.....	1.00		0
9	Furnishing seed.....	1,238	Pound.....	.33	408.54	100
10	Preparation and seeding field.....		Acre.....	3.25		0
11	Fencing field.....		Rod.....	1.57		0
12	Storm-sewer excavation.....	9,436	Cubic yard.....	1.00	9,436.00	100
13	Storm-sewer backfill, rolled.....	4,664	Cubic yard.....	.18	862.84	100
14	Storm-sewer backfill, tamped.....	2,614	Cubic yards.....	.895	2,339.53	100
15	18-inch concrete pipe in place.....	1,806	Linear feet.....	1.80	3,250.80	100
16	24-inch concrete pipe in place.....	2,056	Linear feet.....	2.75	5,654.00	100
17	30-inch concrete pipe in place.....	608	Linear feet.....	3.70	2,249.60	100
18	36-inch concrete pipe in place.....	1,228	Linear feet.....	4.60	5,651.20	100
19	42-inch concrete pipe in place.....	656	Linear feet.....	6.35	4,165.60	100
20	48-inch concrete pipe in place.....	980	Linear feet.....	7.85	7,693.00	100
21	Storm-sewer inlets.....	11	Each.....	63.00	693.00	100
22	Pipe headwalls.....	3	Each.....	32.60	97.80	100
23	6½-inch concrete pavement, runways.....		Square yards.....	2.12		0
24	6½-inch concrete pavement, apron, taxiway.....		Square yards.....	2.12		0
25	60- by 80-foot frame hangar, utilities.....	1	Each.....	7,500.00	7,500.00	100
Grand total of work accomplished.....					73,172.91	

Mr. Speaker, unless we reject the report of the conferees, this great investment, at least a great part of it, is forever lost. Is there any economy in that? It means that the Federal Government has broken faith with this community; it means that this community that had an airport, no longer has one at all. My colleague [Mr. STEFAN] has worked long and hard on this program. His airport at Fremont, Nebr., ought to be completed. His motion should be approved.

The SPEAKER pro tempore. The time of the gentleman from Nebraska has expired.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a table of expenditures.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. SCHIFFLER] such time as he may desire.

Mr. SCHIFFLER. Mr. Speaker, I favor the preferential motion of the gentleman from Nebraska. The total appropriation to complete 28 important

airports is \$8,830,000. One of these airports is in my district, known as the Wheeling-Ohio County Airport. It will require less than \$100,000 to finish this project and to put this airport in first-class shape for all civil and military purposes. The city of Wheeling and Ohio County have each spent a very considerable sum of money. In addition the W. P. A. has done quite a lot of work. Supplementing all of that, the public-spirited citizens of the city of Wheeling and Ohio County have devoted their time, efforts, and money to completing this important work. Several planes in distress have landed on this airport. It was with difficulty that they were again able to take off. Bethany College, within a few miles of this airport, has a large class of naval air trainees. I cannot conceive of any airport in or near our section of the country that is of greater civil and military importance. It is in direct line of east and west transportation. Its value to the community, as well as to the country, will be permanent. It is well located above the fog, easily accessible to the city of Wheeling and to nearby territory in the States of West Virginia, Ohio, and Pennsylvania.

For 15 years the people of Ohio County have been air conscious. They have been attempting to develop an airport. In fact, they are among the pioneers. Many of our citizens use air transportation constantly. We are in an energetic defense plant area.

I strongly urge that this appropriation be given support by the membership of the House and that we be permitted to finish this airport, with the small sum that will be made available by this appropriation, at the earliest possible date. It is sound, practical, and worthy of the support of the entire House.

(Mr. SCHIFFLER asked and was given permission to revise and extend his own remarks.)

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. WINTER].

Mr. WINTER. Mr. Speaker, I do not care to go further into the discussion of whether these airports should be completed insofar as the Federal Government is concerned. I cannot agree with the distinguished gentleman from Kentucky at all.

In my district the Federal Government through W. P. A. came to the city of Pittsburg, Kans., and interested them in expanding the municipal airport. The city undertook an obligation of \$600,000. Today they have expended about half of that. The port is about 52 percent completed. They are training Army pilots at that port right this minute and yet the Army has not designated that port as one necessary for military purposes and it cannot be completed by the city of Pittsburg without Federal assistance. The city of Pittsburg has voted a \$150,000 bond issue. The runways at this airport have been graded and developed, and if they are not finished the money that has been expended in partially completing the airport will be at least a 50-percent loss, because the city of Pittsburg is not financially able to undertake an obligation of that amount without Federal assistance. This airport is also being used by Army bombers training at various ports in this area, using it as an emergency field, and for this purpose it certainly is necessary as a war-training project.

I hope that by some manner or means we can prevail upon the conferees to go back to conference and agree on an amount which will permit the completion of these vitally needed airports, and I hope the motion of the gentleman from Nebraska will prevail.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I favor the preferential motion of the gentleman from Nebraska [Mr. STEFAN].

Mr. Speaker, included in this list of airports is one port with which I am particularly familiar—the one at Iowa City, Iowa. A few years ago it was designated as a bomber landing field by the War Department. The War Department thereby induced that community to expand and put in hard-surfaced run-

ways. They got the job 80 percent completed. They have a very extensive pilot-training program in existence at that port now, yet in spite of the fact that the project is 80 percent completed, they find themselves there now unable to use the airport to its fullest possibilities and to its real need.

We need \$120,000, approximately, to complete this project. I disagree with the statement of the gentleman from Kentucky [Mr. O'NEAL] to the effect that this city could easily raise the money, for it is a city of only 17,000 people. They have pioneered airport development all through the years. I lived there through the entire program of airport development by the Chamber of Commerce, and the city government, and I know that the city of Iowa City cannot raise \$120,000 as easily as the gentleman from Kentucky indicates. I know the history of the project thoroughly, and I know it is important. It is designated as a bomber landing field by the War Department, and they need these Midwest airports to supplement the entire network of airports. My prediction is they will need them more and more as the years go by.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, I rise in support of the motion made by the gentleman from Nebraska.

Mr. Speaker, this Congress has repeatedly gone on record and demonstrated oftentimes its willingness to support a well-rounded program of civil aeronautics and the proper development of airways throughout the country. As you all know, the Committee on Interstate and Foreign Commerce has now under consideration amendments to the Civil Aeronautics Act.

That bill provides for subsidies, and it provides for the expenditure of vast sums of money for the development of aviation. It seems to me that we cannot at this time afford to curtail our program of development of airports. The war has shown us definitely that if it had not been for our civilian aeronautics program in the past, why we would have been stymied, we could not have moved, and it would be just criminal if we at this time curtailed the program of development of our airports in connection with civilian aeronautics. I think this very definitely ties in with our war program.

Mr. RANDOLPH. Will the gentleman yield?

Mr. SADOWSKI. I yield to the gentleman.

Mr. RANDOLPH. The gentleman from Michigan is correct in his observation. I desire to add also that these W. P. A. airports became the backlog of the training program for civilian pilots, and out of which came the fliers who were the backbone of the Army air forces as we began this war. We need more and more airports. It is too bad we did not possess several thousand in addition to what we did have on December 7, 1941.

Mr. SADOWSKI. The gentleman is absolutely correct.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Speaker, I have listened with a great deal of interest to the remarks of the gentleman from Kentucky [Mr. O'NEAL] when he spoke of economy. I am in favor of the House at this time reaching some compromise in order to make funds available for the completion of the airports involved in this amendment. I take that position primarily because I believe economy is the main objective in seeking completion of these ports so that the sums already invested will not be lost.

A great deal of money has been spent on these projects. The one in which I am interested in my State, Idaho Falls, was not started as a W. P. A. project. At the present time \$355,000 has been expended upon the development of this airport. The C. A. A. in the first emergency landing field program allocated about \$50,000 to improve that airport, which is strategically located in the intermountain area embracing Ogden and Salt Lake City, Utah, Boise, Pocatello, and Mountain Home, Idaho, where there is extensive aviation development.

I received a letter recently from Mr. E. W. Fanning, mayor of Idaho Falls, in which he refers to this airport, as follows:

I might say that I have just returned from a trip to Seattle, Wash., where I conferred with Mr. Paul Morris, and Mr. Lane Wilcox, director of airports, for the Civil Aeronautics Administration in regard to the completion of our airport. While there I found that these gentlemen had at various times recommended the completion to Washington, D. C., but they had been informed that it would be impossible for Civil Aeronautics Administration to do anything unless requested to do so by either the Army or the Navy. They did state, however, that they had included the amount necessary to complete this airport in their budget request. * * *

We have a very definite commitment from the United States Government that if we would purchase the land, the Government would do the necessary construction work, and we feel that there is a moral obligation which should be taken into consideration, inasmuch as the city of Idaho Falls spent \$70,000 for land alone for this project.

I submit that that is not a boondoggling project or that it merely involves the completion of a W. P. A. project. This airport requires only a moderate sum to develop it into a class 4 field so that it may be used to the fullest extent by the 4-motored bombers which are constantly flying throughout that intermountain area. I believe the war program will be beneficially affected by making available a few millions to complete this group of 28 airports.

The SPEAKER pro tempore. The time of the gentleman has expired.

(Mr. DWORSHAK asked and was given permission to revise and extend his own remarks in the Record.)

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Speaker, I am heartily in favor of the preferential motion offered by the gentleman from Nebraska [Mr. STEFAN]. The State of Wisconsin has three of these uncompleted airports started under Government encouragement and to some extent with Government funds. One of these is at Oshkosh, in the district of the gentleman from Wisconsin [Mr. KEEFE], who recently dwelt at considerable length upon the completion of these projects before the House. Another one is located at Siren, and the third is located at Eau Claire.

The city of Eau Claire has gone to large expense in securing land in order that this project might be started. In proceeding to do so it had the support and assurances of the Federal Government. The airport has not been completed. The city has other responsibilities incident to the location of a large munitions plant there which require all the funds it can raise for its own purposes at this time. Unless this amendment shall be adopted and the preferential motion agreed to, there is no possibility of early completion of that airport.

I hope the preferential motion will be adopted by a large majority and that this bill may be approved and the 28 airports completed. That should be done, in justice to the communities in which they are situated. Furthermore, their completion will serve to improve the airport facilities of the entire Nation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I am interested in this program, but I think the work essential at this time can be done with half the money proposed, leaving the paving to be done at a later date. Furthermore, no project should be prosecuted at this time which is not important to the war effort. I hope we can vote an amendment along that line.

My experience is similar to that which has been recounted by the other Members. I refer particularly to the Lawrence County airport where the county spent a great deal of money with the understanding that runways would be extended by the Federal Government. In fact, the Civil Aeronautics Authority made an allotment at one time of \$100,000 and the W. P. A. an allotment of \$130,000 to complete the extension of the runways and pave them. The county went ahead and purchased the land but the project has been held up. The county in this instance has put a great deal of money in hangars, repair shops, and so forth, and has one of the largest investments of any local community in an airport that I know anything about. The county has done more than it was asked to do. It is commonly believed that extension of the runways would be very valuable to the war effort.

A large class, several hundred cadets, use the field for training purposes now, but the runways should be lengthened to make an emergency landing possible for the flying fortresses that are based at a field 50 miles away and a glider base even

nearer. I should want this project considered solely on its value to the war effort if money is made available to replace the lost W. P. A. labor.

Mr. Speaker, I propose to ask for a division of the question and then to offer a further preferential motion which will reduce the amount from the \$8,300,000 in the Senate amendment to \$4,000,000, which will take care of all of these airports for the work necessary to conserve what has been done. This preferential motion which I shall offer is in line with the suggestion or the statement made by the gentleman from Nebraska [Mr. STEFAN], when he made his remarks, that he would have offered that motion could he have offered it at that time.

It seems to me that is the real intent and that is the meritorious thing to do and that such a motion should be offered. So I shall ask for a division of the question and then offer a further preferential motion.

Mr. CURTIS. Will the gentleman yield?

Mr. CASE. I yield to the gentleman from Nebraska.

Mr. CURTIS. I am advised by the C. A. A. that if the amount is cut down what they propose to do is to preserve and protect the investment and the work that has already been done and perhaps not attempt at this time to proceed with certain of the concrete paving, and so forth, if they can put these ports in usable condition without that. That is the reason they can get along with the lesser amount.

Mr. CASE. Yes; and the \$4,000,000 will be spread over all the airports and they can do the work that is essential for the time being.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Speaker, I rise in opposition to the preferential motion because I think, in time of war, regardless of other considerations, the airport program should be tied into the war effort. I am just as much interested in developing airports in my district as is any other Member of the House, but I think the whole consideration should be, Is it necessary to win the war? If the Army does not approve of the projects carried in this amendment, then I am certainly opposed to the preferential motion which would make possible this expenditure.

May I ask the chairman whether the airports that would be continued if the preferential motion were sustained are in the comprehensive plan of the Army?

Mr. CANNON of Missouri. No; they are not. They have not been approved by the board in charge of the program.

Mr. JONES. I thank the gentleman. I therefore oppose this preferential motion.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. PITTENGER. I think the correct statement is that the Army board picked out certain airports on which it considered emergency work to be necessary. It

has not disapproved these other airports; it simply has not reached them yet.

Mr. JONES. Turning it the other way around, it has not approved these airports. As to whatever is needed in the Army's program, there is money available from other appropriations.

Mr. CANNON of Missouri. Funds are already provided for that purpose.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, if I were not convinced that the completion and placing in a usable condition of the airports we have under consideration were not tied into the war effort, I would be opposed to the preferential motion, but having in mind one of these airports—one, so I am informed, similar to the others on the approved list—I know just how necessary it is right at this moment in the war work we are endeavoring to carry on in California to immediately resume and to complete as quickly as we can this construction responsibility.

All over the State I represent are to be found in great numbers Government training fields, Government combat fields, and civilian fields galore. The civilian fields and the Government fields now available are crowded to the point where it is dangerous to use them. Additional facilities must be developed at the earliest possible moment. No legislation offers greater promise of early relief from air congestion than the measure under consideration. By the pursuit of this method we can bring into use in the winning of the war 26 half-completed airports, scattered, as they are, all over the various parts of the United States. I hope that the preferential motion is agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I shall consume 3 minutes.

Mr. Speaker, however desirable these other airports may be following the war, they are not needed now for the prosecution of the war, and that is the only consideration on which they could be included in this bill.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. Is it not true that there are three airports in this amendment that have never been approved by the War Department, and that no work has ever been done on any one of the three by the W. P. A.?

Mr. CANNON of Missouri. That is true. There are airports here which have not been adopted by the W. P. A. For example, we have a request here for an appropriation of \$832,000 for an airport, and on which the Work Projects Administration has never spent a penny.

Mr. TABER. There is practically \$2,000,000 in this bill for those three airports.

Mr. CANNON of Missouri. With which neither the War or Navy Departments nor the W. P. A. have ever had any connection or in which they have

expressed any interest or for which they have indicated there was any need.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I think we remember that this House year after year believed in the feasibility of a highway to Alaska, yet the War Department repeatedly until September 1941 said such a road would have no military value; so we cannot always point to the War Department as a criterion of just what is best in these matters, can we?

Mr. CANNON of Missouri. At the time to which my friend the gentleman from West Virginia refers the road was without military value. It was not until and under circumstances which could not at that time be foreseen, and which have materially changed the entire situation, that the project or the road assumed any military value.

In this case, insofar as these airports are concerned, we have an accurate and available method of determining military value. The Board, consisting of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, not only has authority to order construction at any time, but it has the funds, amounting to about \$90,000,000 at this time, from which it may draw at will for construction of airports deemed essential to military operations. It has both the authority and the funds to build or to complete or supplement any needed airport. If there were the slightest need, if there were at any time the slightest evidence of any military value to be served by the completion of any of these airports, all that would be necessary would be for this Board to approve them and they could be completed promptly without notice or application to Congress or to any other authority, out of funds already at their command.

Granted that W. P. A. has had something to do with initiating some of these airports, may I call attention to a stipulation in the contract entered into by the sponsors of these airports at the time they were started.

I shall read just two excerpts from the signed agreement which the sponsors of each of these airports signed when they first filed their applications for construction of these facilities.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I shall take 3 additional minutes.

Here is the first provision of the contract:

It is agreed that the Work Projects Administration is under no obligation to initiate operations under the project authorization, if approved, nor to complete the project, or any portion thereof, if placed in operation.

The first thing the sponsors agreed to and to which they affixed their respective signatures was this specific, definite, unequivocal agreement.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. In spite of that very fine writing in W. P. A. 301, the W. P. A. allocated funds to those municipalities with an agreement that that money would be spent there. The municipalities had no idea W. P. A. was going to liquidate. They went to work and started buying land because W. P. A. allocated the money to build the airport there. They not only obligated themselves and went into debt, they put a tremendous amount of other money—municipal money and State money which was given them by the State aeronautics commissions—into these airports. Then W. P. A. liquidated and left these airports high and dry.

Mr. CANNON of Missouri. Did the gentleman approve that liquidation?

Mr. STEFAN. I did, with the exception of carrying out the obligations it had made with the municipalities. I am interested in saving the investment we have made, the investment of Federal funds, of State funds, and of municipal funds. I am interested in economy. If you wipe this out you are going to wipe out this investment. I have visited many of these airports myself. They are 50 to 90 percent complete. The State aeronautics commissions have approved them.

Mr. CANNON of Missouri. The gentleman approves liquidating W. P. A. Every one of these projects in which W. P. A. was interested or which it initiated were stopped by the liquidation. They approved liquidation with a full realization on these contracts, because it was stressed at the time the President stopped W. P. A. operations.

First, there was this agreement and understanding, this contract, that in event of discontinuance, no obligation devolved upon W. P. A. to complete the airports. Second, there was the further agreement, and may I especially call attention to this last proviso in the contract which all applicants signed at the time W. P. A. undertook construction.

Further, in consideration of the expenditure of Federal funds on the project—

I would like to have the attention of the Members, because Members should hear this provision which is in every contract under which these projects were constructed:

Further, in consideration of the expenditure of Federal funds on the project, it is agreed if the proposed work is undertaken and operations are discontinued—

That is the situation here—

by the Work Projects Administration, the sponsor will take such steps as may be necessary to complete a useful economic unit of the work.

All sponsors, when they made this application and when they entered into this contract, agreed that if anything interfered with completion by the Federal Government—interfered with W. P. A. completing it—the sponsor should then complete a useful, economic unit of the work.

Now, in the face of that agreement and in violation of that contract, sponsors of these projects are asking for the expenditure of these substantial sums of money on projects for which there is no military need, which have no military

value, but with all of which they have agreed, under the circumstances, to complete themselves.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. That condition has existed in every contract ever since the E. R. A. days of 1933. Communities and municipalities are obligated.

The SPEAKER. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. I will take one additional half minute in which to answer the gentleman's question.

Mr. BATES of Massachusetts. All of the communities are obligated under that agreement to complete those projects where there is economic value in so doing. If there is no military value in completing these projects they should not be completed.

Mr. CANNON of Missouri. There were thousands of projects, highways, schools, roads, water systems, and so forth, that were discontinued at the same time. There is no distinction or difference. The sponsor whom the gentleman represents agreed if the W. P. A. did not finish the project they would finish it. It now devolves upon them to carry out their contract.

Mr. BATES of Massachusetts. All of which would be good for post-war planning.

Mr. CANNON of Missouri. The gentleman has touched on one of the important considerations. After the war we will need projects of this character to take care of unemployment and all projects which are without military value should be deferred until the demobilization of the war industries.

The SPEAKER. The time of the gentleman has again expired.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

Mr. CASE. Mr. Speaker, I demand a division of the question.

The SPEAKER. The gentleman from South Dakota demands a division of the question.

The question is, Will the House recede?

The question was taken; and on a division (demanded by Mr. CASE) there were ayes 48 and noes 77.

Mr. BURDICK. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

Mr. CANNON of Missouri. I hope the gentleman will not insist on a roll call at this time. We are very greatly pressed for time. There is no question about the feeling of the House. I would appreciate it if the gentleman would withdraw his point of order.

Mr. BURDICK. Time is no more valuable than the 2 minutes you said you did not have when you had it, when the debate was on.

The SPEAKER. The gentleman from North Dakota objects to the vote on the ground that a quorum is not present. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent members, and the Clerk will call the roll.

The question was taken; and there were—yeas 149, nays 198, not voting 83, as follows:

[Roll No. 135]

YEAS—149

Abernethy Gwynne Murdock
Andersen, H. Carl Hagen Myers
Anderson, N. Mex. Harless, Ariz. O'Brien, Mich.
Andresen, N. Mex. Harness, Ind. O'Toole
August H. Harris, Va. Peterson, Fla.
Angell Hart Ploeser
Barrett Hendricks Poulson
Beall Hinshaw Price
Beckworth Hoeven Ramspeck
Bennett, Mo. Holmes, Wash. Randolph
Bonner Hope Rankin
Bradley, Pa. Horan Reed, Ill.
Brooks Rees, Kans.
Buckley Hull Richards
Burch, Va. Jensen Rizley
Burchill, N. Y. Johnson, Ind. Rohrbough
Burdick Judd Rolph
Burgin Kerr Rowan
Byrne Kleberg Sadowski
Cannon, Fla. Klein Sauthoff
Carlson, Kans. Kunkel Scanlon
Carson, Ohio LaFollette Schiffer
Case Lambertson Schuetz
Chenoweth Landis Short
Clark Lanham Sikes
Cole, Mo. Lea Smith, Maine
Cooley LeCompte Smith, Va.
Cravens Lemke Smith, Wis.
Cullen Lesinski Sparkman
Cunningham Luce Stanley
Curtis Lynch Stefan
Dickstein McGehee Stockman
Dillweg McGregor Sullivan
Durham McKenzie Talle
Dworshak McMurray Tibbott
Eberharther Maas Vincent, Ky.
Ellis Madden Vursell
Ellison, Md. Manasco Wasielewski
Ellsworth Mansfield, Weichel, Ohio
Fellows Mont. Weiss
Fernandez Marcantonio Welch
Flannagan Martin, Iowa Wene
Folger Miller Mo. White
Gale Miller, Nebr. Winstead
Gathings Miller, Pa. Winter
Gavagan Monkiewicz Wolcott
Gearhart Morrison, La. Wright
Gossett Mruk Zimmerman
Grant, Ind. Mundt

NAYS—198

Allen, Ill. D'Alesandro Hoch
Allen, La. Davis Hoffman
Anderson, Calif. Day Holmes, Mass.
Arends Dewey Jackson
Arnold Dingell Jarman
Auchincloss Dirksen Jeffrey
Baldwin, N. Y. Disney Jenkins
Bates, Ky. Domengaoux Jennings
Bates, Mass. Dondero Johnson,
Bell Doughton Anton J.
Bender Elliott Johnson,
Bishop Elston, Ohio Calvin D.
Blackney Engel Johnson,
Bloom Feighan J. Leroy
Bolton Fenton Johnson,
Boren Fish Luther A.
Brehm Fisher Johnson,
Brown, Ga. Fogarty Lyndon B.
Brown, Ohio Forand Jones
Bryson Fulbright Jonkman
Buffett Furlong Kean
Buiwinkle Gamble Kearney
Busbey Gavin Kee
Butler Gerlach Kelley
Camp Gibson Kennedy
Canfield Gillette Kinzer
Cannon, Mo. Goodwin Kirwan
Celler Graham Knutson
Chapman Granger Lane
Chiperfield Grant, Ala. LeFevre
Church Gregory Lewis
Clason Griffiths McCowen
Clevenger Gross McGranery
Coffee Hall, McLean
Cole, N. Y. Leonard W. McMillan
Colmer Halleck McWilliams
Compton Hancock Mahon
Cooper Harris, Ark. Martin, Mass.
Costello Hartley Mason
Courtney Hays May
Cox Heidinger Merritt
Crawford Herter Merrow
Creal Hess Michener
Crosser Hobbs Miller, Conn.

Mills
Monroney -
Murphy
Murray, Tenn. Rodgers, Pa.
Newsome Rogers, Calif.
Norrell Rogers, Mass.
O'Brien, N. Y. Rowe
Sabbath Sabath
Sasser Sasser
Satterfield Satterfield
O'Neal Schwabe
Schwabe Scott
Outland Scott
Pace Shafer
Patman Sheppard
Peterson, Ga. Simpson, Ill.
Philbln Simpson, Pa.
Powers Slaughter
Pracht Smith, Ohio
Priest Snyder
Rabaut Somers, N. Y.
Ramey Spence
Reece, Tenn. Springer
Reed, N. Y. Starnes, Ala.
Robertson Steagall
Robinson, Utah Stearns, N. H.
Robson, Ky. Sumner, Ill.
Rockwell Summers, Tex.

Sundstrom
Taber
Talbot
Thomas, N. J.
Thomas, Tex.
Thomason
Towe
Voorhis, Calif.
Wadsworth
Walter
Ward
Wheat
Whitten
Whittington
Wickersham
Wigglesworth
Willey
Wilson
Wolfenden, Pa.
Wolverton, N. J.
Woodruff, Mich.
Woodrum, Va.
Worley

NOT VOTING—83

Andrews Gillie Mott
Baldwin, Md. Gordon Murray, Wis.
Barden Gore Norman
Barry Gorski Norton
Bennett, Mich. Green O'Brien, Ill.
Eland Hale O'Connor
Boykin Hall, O'Hara
Bradley, Mich. Edwin Arthur O'Konski
Capozzoli Hébert O'Leary
Carter Hill Pfeifer
Cochran Hollifield Phillips
Culkin Izac Plumley
Curley Johnson, Okla. Poage
Dawson Johnson, Ward Rivers
Delaney Keefe Russell
Dies Kefauver Sheridan
Ditter Keogh Smith, W. Va.
Douglas Kilburn Stevenson
Drewry Kilday Stewart
Eaton King Tarver
Elmer Larcade Taylor
Fay Ludlow Tolan
Fitzpatrick McCord Treadway
Ford McCormack Troutman
Fulmer Magnuson Van Zandt
Gallagher Maloney Vinson, Ga.
Gifford Mansfield, Tex. Weaver
Gilchrist Morrison, N. C. West

So the motion to recede was rejected.
The Clerk announced the following pairs:

Until further notice:

General pairs:

Mr. Hollifield with Mr. Ward Johnson.
Mr. Barry with Mr. Hill.
Mr. Vinson of Georgia with Mr. Norman.
Mr. Delaney with Mr. Phillips.
Mr. Gordon with Mr. Gillie.
Mr. Drewry with Mr. Hale.
Mr. Fay with Mr. Gifford.
Mr. Bland with Mr. Troutman.
Mr. Fitzpatrick with Mr. Keefe.
Mr. Tarver with Mr. Stevenson.
Mr. McCormack with Mr. Ditter.
Mr. Keogh with Mr. O'Hara.
Mr. Smith of West Virginia with Mr. Douglas.
Mr. Gorski with Mr. Plumley.
Mr. Mansfield of Texas with Mr. Edwin Arthur Hall.
Mr. King with Mr. Kilburn.
Mr. Magnuson with Mr. Bennett of Michigan.
Mr. Capozzoli with Mr. Van Zandt.
Mr. Maloney with Mr. Culkin.
Mr. Pfeifer with Mr. Eaton.
Mr. Larcade with Mr. Andrews.
Mr. Cochran with Mr. Bradley of Michigan.
Mrs. Norton with Mr. Treadway.
Mr. O'Connor with Mr. Gilchrist.
Mr. Ford with Mr. Elmer.
Mr. Izac with Mr. Gallagher.
Mr. Tolan with Mr. Murray of Wisconsin.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. CANNON] to further insist on

the disagreement of the House to the Senate amendment.

The motion was agreed to.

The SPEAKER. Without objection, the various votes will be reconsidered and that motion laid on the table.

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 71. Joint resolution relating to the acquisition of corn by governmental agencies, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2936. An act to authorize the appropriation of an additional \$200,000,000 to carry out the provisions of title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MALONEY, Mr. TYDINGS, Mr. WALSH, Mr. TAFT, and Mr. REVERCOMB to be the conferees on the part of the Senate.

SECOND DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report, (For conference report see proceedings of the House July 6, 1943.)

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 33: Page 43, line 13, insert: "Sec. 203. No part of any appropriation contained in this act shall be available to pay the salary of any person at the rate of \$4,500 per annum or more unless such person shall have been appointed by the President by and with the advice and consent of the Senate."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 33.

Mr. EBERHARTER and Mr. TABER rose.

Mr. EBERHARTER. Mr. Speaker, I offer a preferential motion.

Mr. TABER. Mr. Speaker, a member of the committee.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. TABER. To offer a preferential motion, Mr. Speaker.

The SPEAKER. The Chair will have both motions read and see which is more preferential.

The Clerk will report the motion of the gentleman from Pennsylvania [Mr. EBERHARTER].

The Clerk read as follows:

Mr. EBERHARTER moves to recede and concur in Senate amendment No. 33 to H. R. 2968.

The SPEAKER. The Clerk will report the suggestion of the gentleman from New York [Mr. TABER].

The Clerk read as follows:

Mr. TABER moves to recede and concur with an amendment as follows: "In lieu of the matter inserted by the Senate insert the following:

"No part of any appropriation contained in this act shall be available to pay the salary of any person at the rate of \$5,500 per annum or more, appointed after June 30, 1943, unless such person shall have been appointed by the President by and with the advice and consent of the Senate: *Provided*, That those appointed between June 30, 1943, and November 1, 1943, may hold office till the latter date unless sooner than that the Senate shall have refused to give its advice and consent as to any such appointee."

The SPEAKER. The Chair is compelled to hold that the motion to recede and concur, at this stage, takes precedence over a motion to recede and concur with an amendment.

Mr. TABER. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The gentleman from New York [Mr. TABER] demands a division of the question.

The question is: Will the House recede from its disagreement to the amendment of the Senate?

The question was taken; and on division (demanded by Mr. TABER) there were—ayes 98, noes 73.

Mr. CANNON of Missouri. Mr. Speaker, I ask for tellers.

Mr. EBERHARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, there seems to be quite a bit of confusion as to what this vote will decide. I ask the Chair to please state what the parliamentary situation is at the present time.

The SPEAKER. The only question involved is whether or not the House will recede from the disagreement to the Senate amendment.

Mr. CASE. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE. Is it not a further fact that if the House accepts the motion to recede then the motion of the gentleman from New York to concur with an amendment will take precedence over the motion of the gentleman from New York [Mr. EBERHARTER]?

The SPEAKER. That is correct.

Tellers were ordered.

The House again divided; and on the vote by tellers, there were—ayes 120, noes 79.

Mr. CANNON of Missouri. Mr. Speaker, I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 176, answering "present" none, not voting 84, as follows:

[Roll No. 136]

YEAS—170

Allen, Ill.	Gearhart	Mundt
Allen, La.	Gillette	Murray, Tenn.
Andersen,	Goodwin	Norrell
H. Carl	Graham	O'Brien, N. Y.
Anderson, Calif.	Grant, Ind.	Pace
Andersen,	Griffiths	Peterson, Ga.
August H.	Gross	Philbin
Angell	Hagen	Ploeser
Arends	Hall	Poulson
Arnold	Leonard W.	Powers
Auchincloss	Halleck	Pracht
Barrett	Hancock	Ramey
Beall	Harness, Ind.	Rankin
Bell	Harris, Va.	Reece, Tenn.
Bender	Heidinger	Reed, Ill.
Bishop	Herter	Reed, N. Y.
Blackney	Hess	Rees, Kans.
Bolton	Hinschaw	Rizley
Boren	Hoeven	Robison, Ky.
Brehm	Holmes, Mass.	Rockwell
Brooks	Holmes, Wash.	Rogers, Mass.
Brown, Ohio	Hope	Rohrbough
Buffett	Horan	Rolph
Busbey	Howell	Rowe
Butler	Jenkins	Satterfield
Carlson, Kans.	Jennings	Schiffler
Carson, Ohio	Jensen	Schwabe
Carter	Johnson,	Scott
Chenoweth	Anton J.	Short
Chipperfield	Johnson, Ind.	Simpson, Ill.
Church	Johnson,	Simpson, Pa.
Clason	J. Leroy	Smith, Ohio
Clevenger	Jones	Smith, Wis.
Cole, Mo.	Jonkman	Springer
Cole, N. Y.	Kearney	Stanley
Compton	Kinzer	Stearns, N. H.
Courtney	Knutson	Stefan
Cox	Lambertson	Stewart
Crawford	Landis	Stockman
Cunningham	LeCompte	Sumner, Ill.
Curtis	LeFevre	Taber
Davis	Lemke	Talbot
Day	Lewis	Talle
Dewey	McCowan	Tibbott
Dirksen	McGehee	Vincent, Ky.
Disney	McGregor	Vorys, Ohio
Dondero	McKenzie	Vursell
Dworshak	McLean	Weichel, Ohio
Ellis	McWilliams	Wheat
Ellsworth	Maas	Wigglesworth
Elston, Ohio	Manasco	Wilson
Engel	Martin, Mass.	Winter
Fellows	Marrow	Wolcott
Fenton	Michener	Wolfenden, Pa.
Fish	Miller, Nebr.	Wolverton, N. J.
Fisher	Miller, Pa.	Woodruff, Mich.
Gamble	Monkiewicz	Worley
Gathings	Morrison, La.	
Gavin	Mruk	

NAYS—176

Abernethy	Cullen	Hobbs
Anderson,	D'Alesandro	Hoch
N. Mex.	Dickstein	Hoffman
Baldwin, N. Y.	Dilweg	Hull
Bates, Ky.	Dingell	Jackson
Bates, Mass.	Domeneaux	Jarman
Beckworth	Doughton	Jeffrey
Bennett, Mo	Durham	Johnson,
Bloom	Eaton	Calvin D.
Bonner	Eberharter	Johnson,
Bradley, Pa.	Elliot	Luther A.
Brown, Ga.	Ellison, Md.	Johnson,
Bryson	Feighan	Lyndon B.
Buckley	Fernandez	Johnson, Okla.
Bulwinkle	Flannagan	Judd
Burchill, N. Y.	Fogarty	Kean
Burdick	Folger	Kee
Burgin	Forand	Kelley
Byrne	Fulbright	Kennedy
Camp	Furlong	Kerr
Cannfield	Gale	Kirwan
Cannon, Fla.	Gavagan	Kleberg
Cannon, Mo.	Gerlach	Klein
Case	Gibson	Kunkel
Celler	Grant, Ala.	LaFollette
Chapman	Gregory	Lane
Clark	Gwynne	Lanham
Coffee	Hare	Lesinski
Colmer	Harless, Ariz.	Luce
Cooley	Harris, Ark.	Ludlow
Cooper	Hart	Lynch
Costello	Hartley	McGranery
Cravens	Hays	McMillan
Creal	Heffernan	McMurray
Crosser	Hendricks	Madden

Mahon	Ramspeck	Sumners, Tex.
Mansfield,	Randolph	Sundstrom
Mont.	Richards	Thomas, N. J.
Marcantonio	Robertson	Thomas, Tex.
Mason	Robinson, Utah	Thomason
May	Rogers, Calif.	Towe
Merritt	Rowan	Voorhis, Calif.
Miller, Conn.	Sabath	Wadsworth
Miller, Mo.	Sadowski	Walter
Mills	Sasser	Ward
Monroney	Sauthoff	Wasielewski
Murdock	Scanlon	Weiss
Murphy	Schuetz	Welch
Myers	Shafer	Wene
Newsome	Sheppard	West
O'Brien, Mich	Sikes	Whelchel, Ga.
O'Neal	Slaughter	Whitten
O'Toole	Smith, Maine	Whittington
Outland	Smith, Va.	Wickersham
Patman	Snyder	Willey
Patton	Somers, N. Y.	Winstead
Peterson, Fla.	Sparkman	Woodrum, Va.
Pittenger	Spence	Wright
Price	Starnes, Ala.	Zimmerman
Priest	Steagall	
Rabaut	Sullivan	

NOT VOTING—84

Andrews	Gore	Murray, Wis.
Baldwin, Md.	Gorski	Norman
Barden	Gossett	Norton
Barry	Granger	O'Brien, Ill.
Bennett, Mich.	Green	O'Connor
B and	Hale	O'Hara
Boykin	Hall	O'Konski
Bradley, Mich.	Edwin Arthur	O'Leary
Burch, Va.	Hébert	Pfeifer
Capozzoli	Hill	Phillips
Cochran	Hollfield	Plumley
Culkin	Izac	Poage
Curley	Johnson, Ward	Rivers
Dawson	Keefe	Rodgers, Pa.
Delaney	Keefe	Russell
Dies	Keough	Sheridan
Ditter	Kilburn	Smith, W. Va.
Douglas	Kilday	Stevenson
Drewry	King	Tarver
Elmer	Larcade	Taylor
Fay	Lea	Tolan
Fitzpatrick	McCord	Treadway
Ford	McCormack	Troutman
Fulmer	Magnuson	Van Zandt
Gallagher	Maloney	Vinson, Ga.
Gifford	Mansfield, Tex.	Weaver
Gilchrist	Martin, Iowa	White
Gillie	Morrison, N. C	
Gordon	Mott	

So the motion to recede was not agreed to.

The Clerk announced the following pairs:

Until further notice:

General pairs:

Mr. Drewry with Mr. Hale.
 Mr. Fay with Mr. Gifford.
 Mr. Hollfield with Mr. Ward Johnson.
 Mr. Vinson of Georgia with Mr. Norman.
 Mr. Barry with Mr. Hill.
 Mr. Bland with Mr. Keefe.
 Mr. Delaney with Mr. Phillips.
 Mr. Tarver with Mr. Stevenson.
 Mr. Fitzpatrick with Mr. Troutman.
 Mr. McCormack with Mr. Ditter.
 Mr. Keogh with Mr. O'Hara.
 Mr. Smith of West Virginia with Mr. Douglas.
 Mr. Gorski with Mr. Plumley.
 Mr. Mansfield of Texas with Mr. Edwin Arthur Hall.
 Mr. Magnuson with Mr. Bennett of Michigan.
 Mr. Capozzoli with Mr. Van Zandt.
 Mr. Curley with Mr. Kilburn.
 Mr. Maloney with Mr. Culkin.
 Mr. Larcade with Mr. Andrews.
 Mr. Pfeifer with Mr. Martin of Iowa.
 Mr. Cochran with Mr. Bradley of Michigan.
 Mrs. Norton with Mr. Treadway.
 Mr. Ford with Mr. Elmer.
 Mr. Izac with Mr. Gallagher.
 Mr. Tolan with Mr. Murray.
 Mr. Hébert with Mr. Gilchrist.
 Mr. O'Connor with Mr. Rodgers of Pennsylvania.
 Mr. Gordon with Mr. Gillie.
 Mr. Weaver with Mr. Taylor.

The result of the vote was announced as above recorded.

The **SPEAKER**. The question is on the motion of the gentleman from Missouri.

Mr. **EBERHARTER**. Mr. Speaker, a parliamentary inquiry.

The **SPEAKER**. The gentleman will state it.

Mr. **EBERHARTER**. As I understand the situation, the motion made by me contained two parts, the motion to recede and concur; and the gentleman from New York [Mr. **TABER**] asked for a division of that question and the House just declared itself not to recede. The question, as I understand it, now before the House is whether it desires to recede and concur.

The **SPEAKER**. The House cannot concur until it has receded, which it has just refused to do.

Mr. **EBERHARTER**. I beg the Speaker's pardon. I thought the vote was that the House should recede.

The **SPEAKER**. The question is on the motion of the gentleman from Missouri. The motion was agreed to.

The **SPEAKER**. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 34: Page 43, line 18, strike out "203" and insert "204."

Mr. **CANNON** of Missouri. Mr. Speaker, I move that the House further insist on its disagreement to amendment No. 34.

The motion was agreed to.

A motion to reconsider the votes by which the various amendments were disposed of was laid on the table.

MESSAGE FROM THE PRESIDENT— AMERICAN RED CROSS

The **SPEAKER** laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

THE WHITE HOUSE,
Washington, July 7, 1943.

The **SPEAKER** OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith a report, prepared by the American Red Cross, of obligations under the appropriations for foreign war relief, consolidated and extended by the Second Deficiency Appropriation Act, 1942.

This cumulative report, reflecting all refugee and foreign war relief operations from July 1, 1940, through April 30, 1943, supplements reports submitted as of April 30, 1941, and April 30, 1942. It is of necessity an interim report, since the foreign war relief program is still in progress and H. R. 2714 will have the effect of extending the availability of this appropriation until June 30, 1944. A final report must await the conclusion of the foreign war relief program.

There are also transmitted herewith reports from the Treasury Department, the Department of Agriculture, and the War Department, which are serving as purchasing agencies under the program

of foreign war relief. It will be noted that the reports of these Departments are prepared on the basis of orders placed with vendors as distinguished from the report of the American Red Cross, which is prepared on the basis of requisitions submitted to those Departments.

Respectfully,

FRANKLIN D. ROOSEVELT.

GENERAL LEAVE

Mr. **CANNON** of Missouri. Mr. Speaker, I ask unanimous consent that all Members who spoke today have 5 legislative days within which to extend their remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. **CANNON** of Missouri. Mr. Speaker, I ask unanimous consent to insert in the Record a communication from the gentleman from North Carolina [Mr. **KERR**], chairman of the Special Committee Investigating Employees of Alleged Subversive Activities.

The **SPEAKER**. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. **ROLPH**. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may address the House for 5 minutes.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. **HOLMES** of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a newspaper item from a newspaper in Worcester, Mass.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

CONSTRUCTION OF RURAL POST ROADS— CONFERENCE REPORT

Mr. **ROBINSON** of Utah submitted the following conference report and statement:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2798) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amend-

ment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "\$27,500,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

On page 1 of the Senate engrossed amendment, in line 8 of said amendment, after the word "highways", strike out "on the system of Federal highways, and secondary or feeder roads", and insert the following words: "of States or their subdivisions".

On page 2 of the Senate engrossed amendment, in line 24, strike out the figures, "\$20,000,000", and insert in lieu thereof the figures, "\$10,000,000".

On page 4 of the Senate engrossed amendment, in line 3, after the word, "section.", add the following: "Provided further, That the provisions of this section shall apply only during the continuance of the emergency declared by the President on May 27, 1941, and for a period of one year thereafter."

On page 4 of the Senate engrossed amendment, in line 12, after the word, "bridges" insert a "comma" and the following words: "including interstate toll bridges."

On page 6 of the Senate engrossed amendment, in line 16, after the word "official", strike out all of the remainder of line 16 and all of line 17, and insert a "comma", and add the following: "unless the War Production Board shall certify that the use of critical material for additional highway construction would impede the conduct of the war."

And the Senate agree to the same.

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,

Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
J. G. SCRUGHAM,
CLYDE M. REED,
WILLIAM LANGER,
C. D. BUCK,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2798) amending the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, as amended and supplemented, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 1: In the bill, as passed by the House, \$25,000,000 was set as a limitation on the expenditure of access road funds for access roads to raw materials. The Senate amended the bill to provide for a limitation of \$35,000,000. The conferees on the part of the House deemed this amount excessive in proportion to the unexpended balance of the general access road fund and compromised on a limitation of \$27,500,000, since \$233,000,000 of the \$260,000,000 access road fund has already been allocated to certified projects. Senate amendment No. 1 also provided for the express inclusion within the meaning of "raw materials" in section 6 of the Defense Highway Act of 1941, approved November 19, 1941, as amended, of petroleum, by inserting, after the words "raw materials", wherever they occur in section 6 of the Defense Highway Act, the words "including petroleum". The managers on the part of the House regarded this amendment

as redundant, taking the position that "petroleum" is clearly within the meaning of "raw materials".

No. 2: The managers on the part of the House recommend that the House recede from its disagreement to Senate amendment No. 2, with the following changes agreed to by the managers on the part of the House and the Senate:

On page 1 of the Senate engrossed amendments, amendment No. 2, after the words "repair of roads and highways", strike out "on the system of Federal highways, and secondary or feeder roads", and insert in lieu thereof "of States or their subdivisions". This amendment, with the change recommended by the Conferees, would allow the Commissioner of Public Roads to reimburse the several States for the necessary rehabilitation or repair of roads and highways within the various States which were substantially damaged not only by the Army or the Navy, as provided in existing law, but also by other agencies, persons, or contractors in performance of a contract or work in connection with the prosecution of the war. Since most of the damage to roads occurring as a result of excessive and abusive use in connection with the prosecution of the war is not done by the "Army or Navy or both" but is nonetheless essential in the prosecution of the war, your managers regard this amendment as important and as one that should be adopted.

The change in this section of Senate amendment No. 2 was recommended by your managers to make certain that where such damage occurred it would be reimbursable in all justifiable cases without possible controversy as to whether the damaged road was within the meaning of "secondary" or "feeder" road definitions.

The managers on the part of the House recommend that the House recede from its disagreement on that part of Senate engrossed amendment No. 2, entitled "sec. 7" and agree to the same with amendments striking the figure "\$20,000,000" and inserting "\$10,000,000" and inserting an additional proviso at the end of said section 7, reading as follows: "Provided further, That the provisions of this section shall apply only during the continuance of the emergency declared by the President on May 27, 1941, and for a period of one year thereafter." In view of the extensive damage done to the road systems of those States in the area affected by the recent floods, it is regarded by your managers to be necessary to the expeditious repair of this damage that this section be included in the bill and agreed to by the House. Since authorization for taking care of flood damage has been recommended by the House Committee on Flood Control, it was deemed advisable to limit the amount authorized to be expended in this section to \$10,000,000, and to limit the time for its expenditure to coincide with the period of the present emergency.

The managers on the part of the House recommend that the House agree to section 8 of Senate amendment No. 2, beginning on page 4 of the Senate engrossed amendments, with the amendment agreed to by the conferees which would insert, after the words "toll bridges", on line 12 of page 4, the words "including interstate toll bridges." This section would extend the time limits in the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," approved August 14, 1937, as amended, to allow the Federal Government to participate in the acquisition of toll bridges by the States at any time prior to January 1, 1945, and would make certain other changes in the present provisions for such acquisitions. The proposed amendment would strike out the act of August 14 as amended and insert an entirely new provision, which is self-explanatory.

Section 9 of Senate engrossed amendment No. 2, found on page 6 of the Senate engrossed amendments, was found to be wholly objectionable by all the managers on the part of the House. In order to resolve the differences between the House and Senate conferees, your managers have agreed to recommend the adoption of said section 9 amended to read as follows: "No part of any appropriation authorized in this Act shall be impounded or withheld from obligation or expenditure by any agency or official unless the War Production Board shall certify that the use of critical material for additional highway construction would impede the conduct of the war."

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,

Managers on the part of the House.

Mr. ROBINSON of Utah. Mr. Speaker, I call up a conference report on the bill (H. R. 2798) entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes," and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

Mr. TABER. Mr. Speaker, reserving the right to object, I understand that the conferees have inserted a section 9 in this report which provides that no part of any appropriation authorized in this act shall be impounded or withheld from obligation or expenditure by anyone unless the War Production Board shall certify the use of critical materials for additional highway construction would impede the conduct of the war, and I ask the gentleman from Utah if that was included within the provisions of the House and Senate bill.

Mr. ROBINSON of Utah. That was agreed to by the conferees on both sides.

Mr. TABER. That it was not in either bill?

Mr. ROBINSON of Utah. No; it was not in either bill.

Mr. TABER. Mr. Speaker, do I understand the gentleman's request to be simply to call up the conference report now?

Mr. ROBINSON of Utah. That is correct.

Mr. TABER. I will not object to that.

The SPEAKER. The Chair hears no objection.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Clerk will read the report.

The Clerk read the conference report.

Mr. TABER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. TABER. Mr. Speaker, I make the point of order that the conference report is not within the range of the conference in that section 9 of the bill as proposed in the conference report is not an item that was in the bill as it passed the House or the Senate.

The SPEAKER. Does the gentleman from Utah desire to be heard?

Mr. ROBINSON of Utah. Mr. Speaker, section 9 was not in the House bill but was an amendment placed in the Senate bill, and it was before the conference committee for consideration as amended by the Senate, and in conference the conferees changed section 9 to read as it now appears in the conference report.

Mr. TABER. Has the gentleman read the provision the Senate inserted in the bill as it passed the Senate?

Mr. ROBINSON of Utah. As the bill passed the Senate, section 9 read as follows:

No part of any appropriation authorized in this act shall be impounded or withheld from obligation or expenditure by any agency or official other than the Commissioner of Public Roads.

In the conference report we amended section 9 to read as follows:

No part of any appropriation authorized in this act shall be impounded or withheld from obligation or expenditure by any agency or official unless the War Production Board shall certify that the use of the critical material for additional highway construction would impede the conduct of the war.

It is clearly an amendment of the Senate provision.

Mr. RANDOLPH. Mr. Speaker, may I be heard briefly on the point of order?

The SPEAKER. The Chair will hear the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I should like to supplement the statement of the gentleman from Utah on the point of order. I believe the agreement between the Senate and the House conferees is simply an enlargement or an extension of the language in the prohibition adopted by the Senate at the time of the final passage of the bill in that body.

Mr. ROBINSON of Utah. The amendment was in the Senate bill and that is section 9. The language the conferees bring back to you is simply an amendment of section 9 by the conferees and was unanimously agreed upon by the conferees.

Mr. TABER. Mr. Speaker, if I might suggest, it is an enlargement of the language and goes beyond the range of the differences.

Mr. ROBINSON of Utah. It seems to me, Mr. Speaker, that it is clearly a limitation of the language of the Senate amendment and was intended to be a limitation. We say so frankly. The House conferees refused to agree to the language of the Senate. The language substituted by the conferees is intended in my opinion as a limitation of the language used in the bill and does not go so far as the language that was in the bill as amended by the Senate.

Mr. WOLCOTT. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman from Michigan.

Mr. WOLCOTT. Mr. Speaker, permit me to call attention to the fact that the language of the Senate very broadly provided:

No appropriation authorized in this act shall be impounded or withheld from obligation or expenditure by any agency other than the Commissioner of Public Roads.

COMMITTEE ON THE PUBLIC LANDS

Mr. PATTON. Mr. Speaker, I offer a privileged resolution (H. Res. 296) from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 281 of the Seventy-eighth Congress, incurred by the Committee on the Public Lands, not to exceed \$10,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman, and approved by the Committee on Accounts.

Sec. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SELECT COMMITTEE TO INVESTIGATE THE ACTIVITIES OF THE FARM SECURITY ADMINISTRATION

Mr. PATTON. Mr. Speaker, I offer a privileged resolution (H. Res. 290) from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the committee of investigation authorized by House Resolution 119, not exceeding \$10,000, in addition to amounts heretofore made available, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. I would like to inquire if the Speaker can inform the House as to what we may expect for the balance of the day and perhaps tomorrow?

The SPEAKER. The Chair thinks it will be impossible for us to close up all the business today. There will be no request to meet early tomorrow because when we adjourn today we will come in at 12 o'clock tomorrow.

The Chair will state there will be no further business transacted in the House this evening except to agree to the conference asked by the Senate on the two appropriation bills. We will await that.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT

Mr. PETERSON of Florida submitted the following conference report and statement on the bill (H. R. 647) to provide for the establishment of the George Washington Carver National Monument, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 647) to provide for the establishment of the George Washington Carver National Monument, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

J. HARDIN PETERSON,
J. W. ROBINSON,
COMPTON I. WHITE,
K. M. LECOMPTÉ,

Managers on the part of the House.

CARL A. HATCH,
RUFUS C. HOLMAN,
MON C. WALLGREN,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 647) to provide for the establishment of the George Washington Carver National Monument submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill authorized the Secretary of the Interior to acquire such lands, in addition to the site of the birthplace of George Washington Carver, as might be necessary to carry out the purposes of the act. The Senate amendment authorizes the Secretary to acquire interests in land. The House recedes.

Amendment No. 2: The House bill provided that the land to be acquired under the bill should be acquired by gift or purchase. The Senate amendment authorizes the Secretary of the Interior to acquire the land by condemnation in the event he is unable to purchase it at a reasonable price. The House recedes.

Amendment No. 3: The House bill provided that the Director of the National Park Service should maintain and preserve the national monument provided for by the bill. The Senate amendment merely provides that the maintenance and preservation of the monument by the Director shall be "in a suitable and enduring manner which, in his judgment, will provide" for the benefit and enjoyment of the people of the United States. The House recedes.

J. HARDIN PETERSON,
J. W. ROBINSON,
K. M. LECOMPTÉ,
COMPTON I. WHITE,

Managers on the part of the House.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Nation's Business.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Missouri. Mr. Speaker, I ask unanimous consent to extend my

remarks and include a reported program of the United Labor Committee Executive Board.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

THE APPROACHING POLITICAL CAMPAIGN

Mr. CARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTER. Mr. Speaker, the approaching political contest in the United States is destined to be the most momentous within the memory of living man, probably more deeply and lastingly affecting the lives of our citizens, our system of economy and the structure of the Republic itself, than any election held in the history of the Nation.

Thoughtful citizens are convinced that the approaching political contest will determine whether this Nation shall endure as a free and sovereign nation; whether a republican form of government will be maintained; whether the Congress and the judiciary will operate as equal and separate branches of our Government, and whether free enterprise and individual liberty are to be reestablished and perpetuated.

The war in which this Nation finds itself engaged throughout the world cannot be an issue in the ensuing campaign. The American people as a whole are performing every military task and meeting every call upon them that conceivably could be made in behalf of victory. On that there is no division.

But the American people will not be diverted from the issues in the next campaign; they are crystal clear. Already, though the election is many months removed, people everywhere in the United States who love their country's traditions and institutions, are united in studying the life record and the character of men of sound faith and high repute, seeking to find the man best fitted to serve our people in the Presidency.

Having known him intimately for many years, I have come to believe that Earl Warren abundantly possess every attribute of purpose and courage, mind and heart, industry, character and old fashioned Americanism that our next President must possess if the United States is to endure as we have known it.

Earl Warren is not a candidate for President. He is quoted by Gould Lincoln, in the Washington Star of June 22, 1943, as stating: "I am not a candidate for any other office than I already have." Regardless, the men and women of America are discussing his availability with increasing enthusiasm.

Governor Warren served in the United States Army during World War No. 1. It is strange no member of our armed forces during the First World War has attained the Presidency. It would seem that by thus belatedly, fittingly honoring the veterans of World War No. 1 we can give evidence of the sincerity of our promises to the veterans of this war.

And who could doubt that a soldier prefers to have a soldier for his Commander in Chief?

While Earl Warren was a soldier during the last World War, he is a lawyer and not a professional military man, but he had opportunity to learn enough about the military art during his service in the Army to know that the strategy of land, sea, and air warfare must be determined by competent military leaders of those arms who have made the exacting business of war their life work.

Earl Warren was born at Los Angeles, Calif., March 19, 1891. He graduated from the University of California, bachelor of laws, 1912, and from the School of Jurisprudence, University of California, doctor of laws, 1914, in which year he was admitted to the California State Bar. He married Nina E. Meyers October 14, 1925, and the union has been blessed with a large family—James C., Virginia, Earl, Dorothy, Nina Elizabeth, and Robert. Mrs. Warren, a charming lady, graces their home and has helped her husband's career by centering her activities in properly raising her family and maintaining a happy home. She is everything that a mother and a wife should be and has made the Governor's mansion at Sacramento a place of culture and charm.

Governor Warren has occupied the Governor's chair at Sacramento but a short time, but he has had vast experience in the affairs of his State. He had previously been district attorney of Alameda County and more recently attorney general of California. He has had a distinguished career as a member of the State bar of California, engaging in the practice of law in Oakland.

Governor Warren long has been active in the affairs of the Republican Party in California and in the Nation, being chairman of the Republican State Central Committee of California, 1934 to 1936, and Republican national committeeman for California.

Perhaps the principal reason for this unprecedented victory as Governor was that in a long public career, since 1919, the people of California have become acquainted with the character of Earl Warren; they know that he does not make promises that he cannot fulfill; and they know that when he makes a public pledge it will be fulfilled precisely as stated by him.

He has kept his pledges to the people of California. He has brought order out of chaos, has reestablished sound government and a sound fiscal policy. In the forefront of the war effort, California is ready and alert and delivering for the Nation under the leadership of a sound American Governor.

After meeting the leaders of Governor Warren's administration, Raymond Moley wrote of them:

They are a personable bunch—clean, vigorous, free of the musty aroma of long years in politics and fortunately free, also, of the saccharin intensity of professional reform. They are just good men who want to do a good job in a State which has never been particularly party-bound.

In the days before us, American men and women of sound faith of both major

parties might well study the personal and public record of Earl Warren, and particularly consider the amazing alacrity with which he has brought order out of chaos in the vital State of California.

No one who knows Governor Warren doubts his capacity to render a similar service in like precise and expeditious manner for the Nation.

CEILING PRICE ON CORN

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

Mr. FISH. Mr. Speaker, I asked for this time to inquire of some Member of the House, perhaps of the Speaker, what disposition has been made of the bill that has just come over from the Senate, increasing the price of corn to \$1.40, placing a ceiling of \$1.40 on corn?

The SPEAKER. It has been referred to the Committee on Agriculture.

Mr. FISH. The Speaker has answered that it has been referred to the Committee on Agriculture. Members of the Committee on Agriculture are present in the House, and I would like to inquire whether that committee proposes to meet before midnight tonight or tomorrow morning and report back that bill or some amendment to it. Time is of the essence. I would much prefer a ceiling of \$1.25 than \$1.40 on corn, because I believe if we pass a bill with a ceiling of \$1.25 at Chicago that corn will begin moving to the Eastern States before our farmers, our poultrymen, our dairymen, and our industries are liquidated. I hope the Committee on Agriculture will not dodge this issue but will meet it squarely and report a bill for action by the House before we recess.

The SPEAKER. The time of the gentleman has expired.

NATIONAL WAR AGENCIES— APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2968) making appropriations for the war agencies for the fiscal year ending June 30, 1944, and for other purposes, still further insist on its disagreement to Senate amendments numbered 33 and 34, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER.

SECOND DEFICIENCY APPROPRIATION BILL, 1943

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3030), the second deficiency appropriation bill, 1943, insist on House amendments to Senate amendments numbered

8 and 9; that the House recede from its adherence to its disagreement to Senate amendments Nos. 24, 25, and 26, and still further insist on its disagreement to such Senate amendments; that the House still further insist on its disagreement to Senate amendment No. 27.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

FEDERAL EMPLOYMENT

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. GIBSON] is recognized for 20 minutes.

Mr. GIBSON. Mr. Speaker, I witnessed on last Saturday afternoon the most pitiful spectacle of my entire life. I saw the last round of the first real test of bureaucracy against democracy. I saw the Congress fold up and accept without a struggle a knock-out punch from one of our many bureaus.

I refer to the retreat taken in the Watson, Dodd, and Lovett amendment. I want to review very briefly the progress of this subject: Dealing first with Robert Morss Lovett, secretary of the Virgin Islands, who draws from the taxpayers of America the sum of \$5,800 per annum. This body recalls that on February 1, 1943, the gentleman from Texas, the Honorable MARTIN DIES, chairman of the Special Committee on Un-American Activities, cited before this body the said Lovett for his long record of Communist affiliations. On April 16, 1943, the said Lovett was given a hearing before a subcommittee of the said special committee, during which hearing the said Lovett defended the Communist Party while still drawing the said sum of \$5,800 from the labor of loyal American citizens. On April 21, 1943, the Kerr committee, which had been created by the House as a trial committee on the pretext that these parties should not be convicted without trial, filed a report based upon hearings given Mr. Lovett and evidence submitted by the Special Committee on Un-American Activities, in which report he was held and declared to be unfit for Government employment. His fitness was defended by the Honorable Harold Ickes, Secretary of the Interior, which, frankly, is not at all surprising to me or any other well-informed person. On May 14, 1943, the Kerr committee cited Lovett as unfit for Government employment.

William E. Dodd, Jr., was on December 1, 1941, employed as editorial assistant at \$2,600 per annum by the Federal Communications Commission, and on November 19, 1942, the Federal Communications Commission requested Mr. Dodd's local draft board's permission to send him to London to organize news

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

(Issued July 9, 1943, for actions of Thursday July 8, 1943)

(For staff of the Department only)

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SPECIAL NOTICE

As soon as the agricultural appropriation bill, the urgent deficiency appropriation bill, and the second deficiency appropriation bill have been approved by the President, the Office of Budget and Finance will distribute, as a Budget and Finance Circular, tables showing, in detail, funds available to the Department of Agriculture. In the meantime those who may have occasion to refer to a table showing appropriations for 1942, 1943, and 1944 (exclusive of items carried in the urgent deficiency bill and the second deficiency bill) can find such a statement on pages A3831-34 of the Congressional Record for July 7, 1943.

SENATE

1. Commodity Credit; subsidies. Both Houses agreed to the conference report on H. J. Res. 147, to increase CCC's borrowing power, continue it as a U. S. agency, etc. (pp. 7521-22, 7557-58, 7576-79), after the Senate had agreed, 34-33, to a motion by Sen. Maloney, Conn.; to instruct the Senate conferees to recede on the amendment regarding subsidies (pp. 7503-11).

The conference report eliminates the Senate provision against subsidies and the House provision that the law regarding indebtedness of bank officers shall not apply to CCC loans, and retains the Senate limitation on grade-labeling requirements.

This measure will now be sent to the President. The final version increases CCC's borrowing power by \$350,000,000; continues its life as a U. S.

agency until Jan. 1, 1944; authorizes Federal Reserve banks to act as CCC's fiscal agents, etc.; requires reimbursement to CCC for losses in connection with its operations for Lend-Lease, BEW, etc.; and limits grade-labeling requirements by OPA.

2. Second deficiency appropriation bill. Both Houses agreed to the conference report on this bill, H. R. 3030. The Senate receded from its amendment to continue the crop-insurance program. The House agreed to the Senate flood-relief item, with amendments which were later agreed to by the Senate. The final version of this item appropriates \$15,000,000, for use through such existing agency as the Secretary may determine, for loans; limits administrative expenses to 10%; and authorizes obligations for personnel, printing and binding, travel, etc. (pp. 7522-24, 7558-69.) This bill will now be sent to the President.
3. War agencies appropriation bill. Receded from its amendment to this bill, H. R. 2968, requiring Senate confirmation of certain appointments, after the House had rejected, 69-260, a modified provision by Rep. Taber (pp. 7537-38, 7569-76). This bill will now be sent to the President.
4. Forestry. Passed as reported S. 250, to promote sustained-yield forest management in order to stabilize communities, forest industries, employment, and taxable forest wealth; to assure a continuous and ample supply of forest products; and to secure the benefits of forests in regulation of water supply, etc. (pp. 7526-28).
5. Farm credit. Passed with amendment S. 715, which revises the crop-loans law so as to add to the list of items for which loans may be made, increase the maximum individual amount from \$400 to \$1,000, remove some of the restrictive conditions under which loans may be made, permit emergency loans without liens, authorize wartime employment outside of civil service, permit \$1 fees for filling out applications, and authorize appropriation of \$75,000,000. Agreed to an amendment by Sen. Danaher, Conn., to strike out the provision permitting loans without regard to the \$1,000 limitation during the war. (p. 7538.)
6. Labor-Federal Security appropriation bill. Receded from its amendment to this bill, H. R. 2935, requiring Senate confirmation of certain employees, after the House had voted to adhere to its disagreement to the amendment (pp. 7545, 7579). This bill will now be sent to the President.
7. Price control; tobacco. Sen. Maybank, S. C., inserted a letter from OPA stating, "We are not planning to discriminate against tobacco growers in South Carolina" in tobacco regulations (p. 7546).
8. Small business. At Sen. Pepper's (Fla.) request, agreed to ask the House to return S. 883, providing for an Assistant Secretary of Commerce for Small Business (p. 7551).
9. Food administration. Sen. Reed, Kans., criticized administration of the food program and inserted statistics on production estimates, etc. (pp. 7540-45).
10. Transportation. Passed with amendment H. R. 2912, to authorize the charging of tolls for passage of Government traffic over the Golden Gate Bridge (p. 7534). House conferees on the bill were appointed (p. 7595).
11. Food production. Agreed, without amendment, to H. Con. Res. 12, expressing the sense of Congress that farm work is essential to the war, etc. (p. 7534).

SECOND DEFICIENCY APPROPRIATION BILL, 1943

JULY 8, 1943.—Ordered to be printed

Mr. CANNON of Missouri, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3030]

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25 and 27.

Amendment numbered 8:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 8; and agree to the same.

Amendment numbered 9:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House, insert the following:

WAR MANPOWER COMMISSION

National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made

available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the Act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That, under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any non-Federal vocational education authority within any State may continue to be so used during the period of the present war and for not to exceed six months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period, the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any such existing non-Federal vocational education authority, if applied for within ninety days after the date of enactment of this Act, any real or personal property of the National Youth Administration not required by any other Federal Agency (excepting the Lend-Lease Administration) or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property.

And the House agree to the same.

The committee of conference report in disagreement amendments numbered 24 and 26.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

KENNETH MCKELLAR,
CARTER GLASS,
CARL HAYDEN,
GERALD P. NYE,
RUFUS C. HOLMAN,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate Nos. 8, 9, 24, 25, 26, and 27 to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 8: Senate amendment No. 8 permitted the continuation of the publication and public distribution of the United States Government Manual by the Office of War Information notwithstanding the provisions of the National War Agencies Appropriation Act, 1944. To this amendment the House added an additional paragraph postponing until August 16, 1943, the effective date of the provision in the National War Agencies Appropriation Act, 1944, prohibiting payment of salary to any person in the Office of Price Administration engaged in directing any program of price policy, price ceiling, or maximum price, unless such person, in the judgment of the Administrator, be qualified by experience in business, industry, or commerce. The Senate accepts the House amendment. The effect of the action of both bodies is to include in the bill both amendments relating to the Office of War Information and the Office of Price Administration.

No. 9: The Senate included provision relative to disposition of the property of National Youth Administration requiring the Director of Procurement to transfer to any State or State board of vocational education, or county or county board of education, without compensation, any real or personal property of the National Youth Administration which such public body might make application for within 60 days.

The House substituted for this Senate amendment a provision which accomplished the following:

1. Declares all property of the National Youth Administration to be surplus immediately upon the signing of this bill.
2. Directs that all personal property be assembled, inventoried, and turned over to the Procurement Division of the Treasury Department under Executive Order 9235 as expeditiously as possible.
3. Directs that all real property be disposed of by the Commissioner of Public Buildings under the provisions of the act of August 27, 1935.
4. Permits, under commitment of the borrower to return such property to the United States at his expense, any real or personal property of the National Youth Administration in use on June 30 last by any State or other public vocational education authority to continue to be so used during the period of the present war and for not to exceed 6 months thereafter, without compensation, so long as it continues to be used for vocational education purposes.

5. Provides that other property of the National Youth Administration, if not required by other Federal agencies, may be loaned to any State or other public vocational education authority, without compensation, for vocational education and training, for use during the period of the war and not to exceed 6 months thereafter, if applied for within 90 days, if the borrower agrees in the case of personal property to pay all expenses incident to obtaining and returning such property, and if the United States Commissioner of Education certifies that it is to be used for vocational education and training.

6. Provides an additional \$1,500,000 from previous unexpended balances of the National Youth Administration to cover operations from July 1, 1943, until the date of the enactment of the Labor-Federal Security Appropriation Act, 1944, and for further expenses of liquidation; adds this amount to the \$3,000,000 for liquidation expenses in the 1944 appropriation act; and provides that of the combined amount of \$4,500,000, which is available until January 1, 1944, not less than \$1,487,000 shall be set apart exclusively for payment of accumulated and accrued annual leave of employees.

The Senate offered modifying amendments to the foregoing House proposal, which the House conferees have accepted. The first modification provides that none of the National Youth Administration property shall be disposed of under lend-lease. The second modification makes the provisions of the House amendment applicable to any "non-Federal vocational education authority" instead of to "State or other public vocational education authority". This change has the effect of making the House provision applicable to State, other local public vocational education authority, and to private vocational education authority and is broader in scope than the original House amendment.

No. 25: The Senate inserted an additional \$4,318,748 for Federal Crop Insurance and a provision repealing the paragraph in the Agricultural Appropriation Act, 1944, for discontinuance of such insurance. The Senate recedes from this amendment.

No. 27: Eliminates the appropriation of \$8,832,000, inserted by the Senate, for continuance of work on certain airports which was discontinued by the closing down of the Work Projects Administration.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

Nos. 24 and 26: Appropriating \$15,000,000 for assistance to farmers in the areas devastated by floods in 1943. The managers on the part of the House will move to recede and concur in the Senate amendment No. 24 with an amendment.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

remarks an address which I delivered at the Roosevelt Hotel on the 21st of June last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Six weeks ago on the Senate floor I called upon the American people to protect their political interests by taking noupartisan action. The response to that appeal has been outstanding. From State after State responsible citizens from the farm, from the small business places, from the laboring men, have joined in the demand for government which will place the welfare of America above that of any other country.

If today I could sit down with you, my friends and we could look into each other's eyes, I know that the truth I would see there would reveal to a great extent the suffering, the misery, the fears that are within you.

No one can do more for the average man or woman than they can do for themselves but you are entitled to have the truth about the war, the truth about economic conditions, the truth about what the future holds in store for your children, the truth about whether in your old age you will be free from suffering and want.

Frankly, we no longer have the two-party political system in this country. One has but to scan the votes in this body to realize that the Republican Party and the Democratic Party as such on economic grounds have long since ceased to exist and that the places of these two parties have been taken by the conservatives on the one hand and the liberals on the other. Never in the history of America have the conservatives had the bit in their teeth more savagely or cruelty, as witnessed by what has taken place within these last few months.

Within these weeks, although the Democratic platform of 1940 declared that future issues of State and county and Federal bonds should not be exempt from taxation, we find by an overwhelming majority the Senate refusing to pass legislation which would tax these issues in the future, but during the debate acquired the knowledge that there are \$18,000,000,000 worth of tax-exempt bonds now in existence upon which no taxes are being paid. That roughly is one-quarter of all the wealth of the United States. A farmer pays taxes on his cow and calf. The laboring man, on his small amount of furniture he may have in his house, but the man who, the record shows, has an income of over \$1,000,000 a year on tax-exempt securities, pays nothing.

More ironical yet was the decision of the Congress which the President permitted to become a law without his signature, cruelly discriminating between the soldier of the Army and the wealthy man. If at the beginning of the war two brothers were each having an annual income of \$67,200, the boy that was drafted or enlisted in the Army was reduced to \$50 a month, or \$600 a year, but the proposal to limit the income of his brother to \$67,200 a year or \$25,000 net was indignantly rejected, although both the Democratic and Republican Parties in their platforms in 1924 had specifically promised after the World War No. 1 that in the event of another war wealth should be drafted the same as human life.

No better illustration of the callous indifference to the poor can be cited than the use tax on automobiles. A millionaire may own a \$10,000 Rolls-Royce and be secure in the knowledge that he doesn't pay any higher use tax than the hired man working on a farm who buys a \$15 jitney so that he can ride to town on Sunday. The tax on both is alike, \$5 apiece, and when an effort was made to prevent that tax from going into effect it was defeated on the Senate floor by a vote of 35 to 22.

Daily we read in the newspapers and magazines that we are living in the finest country in the world and suggestions are frequently made that if one doesn't like this country that he should immigrate to Ireland or Russia or some other country. The boys that are running this country don't like criticism. They resent the truth. The truth of the matter is that the Federal report shows that we have 11,000,000 families that have less than \$350 a year for food, or 35 cents a meal for the entire family; that 91 girls out of every 100 prostitutes are the daughters of tenant farmers and sharecroppers and coal miners; and that 695,000 boys were so ignorant and had such lack of education that they could not and were not inducted into the Army; that 3,200,000 people in this country have syphilis and gonorrhea, and that 1,200,000 war workers are suffering from venereal diseases. What a tragedy for those who wrap the American flag about them and loudly proclaim their patriotism, and what a contrast to those 3,000 who today are receiving salaries in excess of \$75,000 a year, some of them over one-half million dollars a year and leading organized fights against paying their share of taxes, while the fathers are unable to educate their children, and whose wives and daughters often become prostitutes because they haven't got enough to eat and wear.

The men who control the newspapers and the radio, the men who contribute millions of dollars to corrupting the elections every 4 years—\$35,000,000 being spent for the Democratic and Republican last Presidential election alone—dread the power of the farmer, the laboring man, the small businessman. They fear that they will unite and vote together. They spent \$35,000,000 in the last election to keep them divided because by keeping them divided they could raise the price of the foodstuffs and farm machinery and those things that they knew these people must have, so they could get their \$35,000,000 back again and the election would cost them nothing.

We have seen the National Democratic Convention nominating a Republican and the Republicans nominating a Tammany Democrat, for President. The monopolistic interests work and plan together to nominate two men neither of whom is for the common man's interest, and then at election time the monied crowd say to the people: "You have a free election. Take your choice of either one of these two, both of whom are our men." As far as foreign policy was concerned, in the last election what choice was there for a man who did not wish to become involved in the war between Mr. Roosevelt and Mr. Willkie?

The time has come in America to nominate men for President and Vice President who will actually live up to the planks of the campaign platform. Honest men who will not say after election as did one of the candidates 3 years ago, that what he said in his campaign speeches was just "campaign oratory." We must build a political organization from the bottom up and not from the top down and to build it from the bottom up we must have an organization in every precinct in America. Men and women who will meet on the same day at the same hour, will elect a permanent precinct captain, organize to get out the vote of the people on election day, and by secret ballot elect delegates who will go to a county convention a week later where again all those present will pledge themselves to back a ticket chosen by delegates selected who will meet at a State convention and shortly after that, at a national convention.

With the delegates selected by secret ballot, with all those attending these meetings pledging themselves to support the ticket no matter whether it runs on the Republican, Democratic, Socialist, or Independent col-

umn, we can get those who believe in winning the war quickly, in guaranteeing every man who wants to work the right to work, in giving the returned soldiers jobs when they come back, who believe in decent pensions for the aged folks, who believe in laws to prevent discrimination because of race, color, creed, or sex, and who believe in money reform, to fight together politically instead of fighting each other.

Nearly 10 years ago a million people signed a petition to Congress to have an old-age pension. They were told that the Government could not afford it, and thousands upon thousands of old people have died in hunger and want. But, although they told us then that the money was not available, they have spent billions since for numerous other purposes, which I needn't mention here. Farmers are entitled to the cost of production, plus a reasonable profit, and every farm woman entitled to have the Rural Electrification Administration extend electricity to her home to relieve her and her husband of hard work.

My friends, patriotic men and women will well remember how our soldier boys got back from the last war unable to get work, denied a bonus, and they finally had to march on the Capitol here in Washington, where they were met by the Army that fired upon their own comrades. I warn America that unless constructive steps are taken that as soon as the war is over and millions are out of work we will see a repetition of that disgraceful occurrence. There is only one way to prevent it, and that is by the political organization of the farmer, the miner, the factory worker, the small businessman, the laboring man, into one compact political organization. If every one of you will do your part in organizing your precinct politically and at the given time select delegates by secret ballot, who in turn will meet in the county convention and elect delegates by secret ballot again, who will meet in a State convention where they will select delegates to a national convention by secret ballot once more, then no politician, however powerful, will be able to control that convention and that convention representing the people of this country can determine whether they wish to support liberal candidates on the Democratic ticket, the Republican ticket, or the Socialist ticket, or whether they wish to run a ticket of their own. I call upon everyone who believes as I do, that destitute aged people are entitled to pensions, that a poor woman giving birth to a baby is entitled to hospitalization, that the blind and the crippled should be taken care of properly and decently, and in the three principles I have before-named, to sign and mail to me, Senator WILLIAM LANGER, Washington, D. C., the following pledge:

"I do hereby promise at a date to be selected by the national committee to call together at my home on the day specified, patriotic men and women who, regardless of race, color, and creed, will pledge themselves to fight the battle of the people.

"Name _____
"Address _____"

CONTINUATION OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. WAGNER. Mr. President, I submit a conference report on House Joint Resolution 147.

The PRESIDING OFFICER (Mr. WHERRY in the chair). The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 147) to continue the Commodity Credit Corporation as an agency of

the United States, to increase its borrowing power, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 3.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 4, and agree to the same.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
FRANCIS MALONEY,
ROBERT A. TAFT,
JOHN A. DANAHAR,

Managers on the part of the Senate.

HENRY B. STEAGALL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WAGNER. I move that the report be adopted.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York.

The motion was agreed to.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT—CONFERENCE REPORT

Mr. WALLGREN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 647) to provide for the establishment of the George Washington Carver National Monument, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

CARL A. HATCH,
RUFUS C. HOLMAN,
MON C. WALLGREN,

Managers on the part of the Senate.

J. HARDIN PETERSON,
J. W. ROBINSON,
COMPTON I. WHITE,
K. M. LECOMPTÉ,

Managers on the part of the House.

The report was agreed to.

SECOND DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. McCARRAN (for Mr. McKELLAR) submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25 and 27.

Amendment numbered 8: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 8; and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amend-

ment of the House to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House, insert the following:

"WAR MANPOWER COMMISSION

"National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the Act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That, under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any non-Federal vocational education authority within any State may continue to be so used during the period of the present war and for not to exceed 6 months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period, the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any such existing non-Federal vocational education authority, if applied for within ninety days after the date of enactment of this Act, any real or personal property of the National Youth Administration not required by any other Federal Agency (excepting the Lend-Lease Administration) or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property"; and the House agree to the same.

The committee of conference report in disagreement amendments numbered 24 and 26.

KENNETH MCKELLAR,
CARTER GLASS,
CARL HAYDEN,
GERALD P. NYE,
RUFUS C. HOLMAN,

Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

Mr. McCARRAN. I move that the Senate agree to the report.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REVERCOMB. I wish to suggest the absence of a quorum.

Mr. McCARRAN. I wish the Senator would not do that until we get the conference report through.

Mr. REVERCOMB. I want a vote on the conference report.

Mr. McCARRAN. Very well.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Barkley	Hayden	Reynolds
Bone	Hill	Robertson
Brewster	Holman	Scruggs
Bridges	Johnson, Colo.	Shipstead
Brooks	Kilgore	Smith
Buck	La Follette	Stewart
Burton	Langer	Taft
Butler	Lucas	Thomas, Okla.
Byrd	McCarran	Thomas, Utah
Capper	McClellan	Truman
Caraway	McFarland	Tunnell
Clark, Mo.	McKellar	Tydings
Connally	Maloney	Vandenberg
Danaher	Maybank	Van Nuys
Davis	Mead	Wagner
Downey	Millikin	Wallgren
Ellender	Murdock	Walsh
Ferguson	Nye	Wheeler
George	O'Daniel	Wherry
Gerry	O'Mahoney	White
Green	Pepper	Wiley
Guffey	Radcliffe	Willis
Gurney	Reed	
Hawkes	Revercomb	

The VICE PRESIDENT. Seventy Senators having answered to their names, a quorum is present.

Mr. McCARRAN. I move that the report be agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. REVERCOMB. Mr. President, the motion is to agree to a conference report which asks the Senate to recede on one item which was passed by this body. It affects quite a number of States. It has to do with the completion of some 28 airports. The amount involved is about \$8,000,000. We have sat here week after week, particularly in the last few days, and appropriated immense sums of money for different undertakings throughout the country. The airports in question have been approved by the Civil Aeronautics Authority. They are needed in this country. They are not completed, and in many instances a very small sum of money is necessary for their completion.

I wish to call this matter to the attention of the Senate because I hope that another effort will be made by the Senate conferees in conference with the House conferees to induce them to agree to our position, and not to take from the bill the approved airports which are needed at this time.

For that reason, Mr. President, I shall oppose the adoption of the conference report.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. I should like to go on record as confirming what the Senator from West Virginia has said with respect to completion of the airports. The provision in question affects my State. It concerns one airfield at Fremont, Nebr., with which the Senator from Nevada is

well acquainted, for statistics with respect to it were presented to the committee. It also concerns one airfield at Beatrice. The airfield at Fremont includes 225 acres of ground. The land has been provided by the city of Fremont. The airport is, I should say, practically completed, having a completed administration building, a drainage system, and level field and runways ready for hard-surface materials. The field is proposed to be used for overflow air traffic from Omaha. It has runways which, if the necessity arises, can be extended on the land which has already been acquired.

Mr. President, we are very anxious to have that airfield developed, if it possibly can be done. I can say practically the same thing with respect to the airfield at Beatrice. It also represents large Federal and municipal investments. The citizens of Beatrice voted \$60,000 for the purchase of land and went ahead with their plans. The city has expended at least \$70,000 in fulfilling its part of the contract. It is distinctly unfair to these cities and their citizens, and incidentally unwise, for the Federal Government now to turn its back on such developments.

Mr. President, I do not want to hold up the measure under consideration—the Senator knows my position with respect to that matter—but if there is any way in the world by which additional funds can be provided for the completion of these airports which are already started I certainly should like to have the conferees give their utmost consideration to this request.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. HAYDEN. As one of the conferees, I wish to state that the Senate conferees loyally and faithfully did their very best to retain this amendment. We met with one objection on principle so far as the House conferees were concerned. They said the W. P. A. was being abolished; that it was interested in a great many things which are desirable, and had instituted the building of sewer systems in one place, or a hospital in another, or a schoolhouse in another. The House conferees then asked how distinction could be made between the various beneficial works which have been begun or were being done by the W. P. A., and an exception made of merely the airports in question.

Mr. WHERRY. Mr. President, will the Senator again yield to me?

Mr. McCARRAN. I yield.

Mr. WHERRY. I contend that that is not a question which is at all involved in respect to the consideration of the report. The question is not whether the projects mentioned by the Senator are beneficial or not. I am taking the same position now that I took yesterday in respect to the bill to provide \$200,000,000 to complete a number of facilities, schools, and so forth, which had been begun. The facilities provided for in that bill are in the same category as those under consideration in connection with the conference report.

Mr. President, I appreciate what the Senate conferees have done. It seems to me, however, that the Senate con-

ferees should go back with instructions to state that the issue is not as to whether the W. P. A. has instituted projects which are good or projects which are not good for the country. The airfields in question have already been begun. The towns have pledged their credit and issued bonds to develop these projects. They are worth while and necessary. I speak for all the 28 towns in the 17 States involved. I think the airports should be completed. The Federal Government has a very definite duty and responsibility in this respect. Therefore, I believe the report should not be agreed to until the conferees have tried once more to see if they cannot induce the House conferees to agree to this proposal.

Mr. HAYDEN. Let me repeat the situation. A record vote was had in the House on this proposal. The vote was 198 to 145. The House conferees insisted that it would embarrass the membership of the House to pick out a particular group of airports and not include them all. They objected to singling out certain airports that the W. P. A. was improving. They insisted further that so far as the war was concerned—and I am repeating the arguments made to us, and not using them as my own arguments, as the Senator will understand—they insisted that so far as any military necessity was concerned, ample money has been made available to the War Department in the case of any of these airports to finish it, if it deems proper, and as may be needed for the war. The only reason the airports have not been finished is that the War Department has not as yet found it necessary to do so. Any one of them, however, that is needed for any war purpose, can be completed at Federal expense immediately.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield further for a moment?

Mr. McCARRAN. I yield.

Mr. WHERRY. My understanding is, however, that unless these fields are completed under the auspices of the Civil Aeronautics Authority, the War Department will not proceed to build any other fields. Is not that the Senator's understanding?

Mr. HAYDEN. No; that was not indicated to us.

Mr. WHERRY. I have been informed that the appropriation for these fields must come out of the pending appropriation bill, or the chances are the fields will not be completed.

Mr. HAYDEN. One other argument was made, to the effect that in the contracts made with the municipalities with respect to these airports it is provided that in the event the United States does not finish an airport the municipality shall do so.

Mr. WHERRY. In answer to that statement let me say that it is impossible for Fremont, Nebr., to finish its airport. The town procured the land and pledged an issue of bonds for the purpose, but it needs help, and it has depended in good faith on the provision contained in the bill.

Mr. HAYDEN. The Senator from Nebraska is in no different situation in his State than I am in in my own State.

Two airports are provided for in my State, one at Nogales, and one at Willcox. So we are in exactly the same situation. I thought it fair to state to the Senator the arguments we had to meet, and the absolutely inflexible determination on the part of all the House conferees that they could not yield and could not recommend to the House to yield.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REVERCOMB. In view of the fact that some of the airports are more than 90 percent completed, but are not now usable, and that the money heretofore spent on them will have been wasted to a large extent if they are not completed, it seems to me that a statement of the factual situation should certainly overcome the arguments advanced by the House conferees which have been detailed here by the Senator from Arizona. I wish another trial were made to see if the House conferees cannot be convinced that the work should be completed. It would not require a large sum of money compared with the amount we have been appropriating recently.

Mr. HAYDEN. Mr. President, it is not a question of the Senator convincing me. It is a question of convincing the majority of the House of Representatives.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada [Mr. McCARRAN].

Mr. McCARRAN. Mr. President, I think it is fair to every Member of the Senate, and especially to those whose States are interested in the airports in question, to say that the senior Senator from Nevada has been seriously endeavoring to get an agreement with respect to the appropriation of the money for the completion of these all-important airports. They are important. They are going to be more and more important as time goes on. In time the community which does not have an airport will be very seriously handicapped.

Many of the landing areas involved have been constructed almost to completion. Others are not quite so far along. But all of them have been deemed essential, and are now deemed to be essential. They will not be constructed by the Army or the Navy. The money is not available for their construction in any appropriation bill that has been passed by the Senate up to this time. Let me be frank with Senators in respect to this matter. In the bill providing for the Civil Aeronautics Administration, out of a total appropriation of \$199,000,000, \$99,000,000 was appropriated for the year 1944. However, those funds will not be applied to any of the fields to which I refer, because they do not come under that program at all. They come under the program for Army and Navy fields.

Are these fields necessary? Are they essential? Are they necessary at the present time? It is my position and my contention that they are necessary because at the present time they serve the purpose of landing places, emergency landing fields, and storage fields for ex-

cess equipment as it comes off the assembly lines.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. GURNEY. I am glad to hear the statement made by the Senator from Nevada. I am really at a loss to know why airports for all the States of the Union were not provided for in the measure. As I understand the situation, the measure provides for airports in 26 States. I really think the matter should go back to conference and should secure the approval of the House; but I did want to make clear my position that in my State there are several towns which have made application to the Civil Aeronautics Administration, but evidently the airports for which they have made requests have not received the same approval that has been given for the airports included under the program. I should like to know just how the airports in the 26 States were selected, to the exclusion of airports in other States.

Mr. McCARRAN. It is my understanding, although I have no particular authority for saying so, that the airports were selected because they were regarded as being susceptible of completion at the least expense. I could be in error about that, but I think what I have said is correct.

Mr. President, let me state further that no one is more anxious than I to put through the item and to have congressional approbation of it; but the item was taken over to the House, and a vote was had on it. The item was lost by 20 votes, or thereabouts. I am advised, although I am not one of the conferees, and therefore I cannot speak from my own knowledge, that the House conferees now take the attitude that when the next deficiency appropriation bill comes along they will look with greater favor upon this item. I do not want to lose the item altogether. I want eventually to get the item through, so that the airports may be completed.

If the Senate desires to have my individual judgment on the matter, and perhaps I am more interested in it than is any other member of the Senate, because I have fostered the item all the way through, my individual judgment is that the conference report should be accepted today, and the next time a deficiency bill comes along the Senate will find this item being urged by the Senator from Nevada. That is all I care to say. I submit the matter for a vote.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada that the conference report be agreed to.

The report was agreed to.

SECOND DEFICIENCY APPROPRIATIONS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3030, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
July 8, 1943.

Resolved, That the House recede from its disagreement to the amendment of the Sen-

ate numbered 24 to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 26 to said bill and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert:

"In order to provide assistance to farmers whose property was destroyed or damaged, in whole or in part, by floods in 1943, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide assistance to any such farmer by loans, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to continue farming operations in order to produce for the war effort, including personal services in the District of Columbia and elsewhere, printing and binding, travel, and other miscellaneous and incidental expenses, fiscal year 1944, \$15,000,000: *Provided*, That not more than 10 percent of the foregoing amount shall be used for administrative expenses.

Mr. McCARRAN. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 26.

The motion was agreed to.

Mr. BARKLEY. Mr. President, let me ask the Senator from Nevada whether what the Senate has just done completes consideration of the second deficiency bill.

Mr. McCARRAN. Yes, House bill 3030. That is the second deficiency bill.

Mr. BARKLEY. No further action on the part of either House is required, as I understand the matter; is that correct?

Mr. McCARRAN. No further action is required so far as I know.

TRIBUTE TO FORMER SENATOR SPENCER OF ARKANSAS

Mr. McFARLAND. Mr. President, there has come to my attention an article entitled "A Man of Few Words, an Able Senator," which appeared last January in the Eagle Democrat, of Warren, Ark. The article referred to former Senator Lloyd Spencer, of Arkansas, who retired from the Senate last January without seeking reelection.

As stated in the article, former Senator Spencer was a man of few words. However, he was a man of influence in the Senate. Having come up the hard way, he understood the problems of the people. His experience as a banker gave him an understanding of the financial affairs of our Nation. His counsel and advice were valuable on matters which were considered by the committees of which he was a member.

The people of Arkansas are to be congratulated that it was his desire to return to his former work and take his place in the affairs of his State. He will prove, as in the past, a valuable man in private life. I understand he has since joined the United States Navy, there to serve his country. Both he and Mrs. Spencer have the best wishes of a host of friends made while they were in Washington. I ask unanimous consent to have printed at this point in the RECORD, as part of

my remarks, the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MAN OF FEW WORDS, AN ABLE SENATOR

"Our form of government, a liberal democracy, is a great blessing and a great luxury as well," is the sober opinion of Lloyd Spencer, president of the First National Bank in Hope, Ark., who has just retired after 21 months as United States Senator from Arkansas. The public record and experience of this Arkansan, who arose from obscurity to prominence without political pull or influence, should interest the thoughtful citizen. A man of few words, profound thought, and without previous political background, he made an able Senator.

In a recent article in Finance, commenting upon his congressional experience, the ex-Senator wisely stated: "In my opinion, Congress must recapture and reserve to itself many powers which under the stress of the times have been surrendered. I believe Congress is in a mood to do this and will if backed by public sentiment. Unless it is done, we are going to see a great change in our country—a change which will certainly not be for the good of our country." What manner of man is this political initiate who says these things to his fellow citizens?

His personality and ability so impressed his associates that within 12 days after taking his seat the Vice President called upon him to preside over a session of the Senate. Of him one of the most outstanding veterans stated that for the length of time he had served, Spencer has made the best impression of any man who had been there since he had been in the Senate. This would seem to be sufficient to prove Gov. Homer M. Adkins acted in the best interests of the people of Arkansas when he named his intimate friend for the interim period.

Within a quarter of a century, and by dint of his own efforts, Lloyd Spencer has advanced from an humble position to a definite place of achievement in the business, banking, and political circles of his native State. Although a young man, some years ago he was elected president of the Arkansas Bankers Association. The basis of a healthy economy is sound finance. Spencer knows you cannot separate government from business nor business from government. It is folly for the citizen to think otherwise.

When he entered the Senate, he came directly from the atmosphere of everyday living. Under our system of government he knew it was the responsibility of Congress to legislate for man's behavior and general welfare.

Did he accomplish anything for his constituency? He played a leading part in defeating the move to reduce the number of seven Congressmen from this State. He helped to stifle the political chicanery aimed to deprive the Southern States of the poll-tax privilege. His acumen and aggressiveness were felt in the location of various defense industries in this State. For his home town, he secured the Southwestern Proving Ground, one of the largest war industries established here.

He served in the historical session of the Seventy-seventh Congress, the longest in American history. It authorized or appropriated \$200,000,000,000—a sum larger than the total expenses of government from the Declaration of Independence to the opening of that session. Although a freshman, shortly after his admission, he was chosen for a place on the powerful Banking and Currency Committee, succeeding Senator Byrnes appointed to the Supreme Court of the United States and now the economic stabilizer of the Nation. While in the most august parliamentary body in the world, as a humble servant of the people, he found time to answer as many as 60 telegrams a day and over a thou-

order or otherwise, to make the statement he made regarding price ceilings on corn. If the O. P. A. or the War Food Administrator are responsible for our present predicament, the agency or person responsible should be permitted to find a solution. I am sure that many farmers, relying upon the statement made by Mr. Davis, have sold their corn at \$1.07 a bushel. I am likewise sure that much corn is now in the hands of speculators. Would it be morally right for the Government or any agency or individual connected therewith to assure the farmers that we would not permit the price of corn to be raised and thereby encourage them to sell their corn, and after they have sold it and the corn has gone into the hands of speculators, then by act of Congress force the price up or permit it to rise to \$1.40 a bushel? It is plain to see that we would be penalizing patriotic farmers and bailing out and rewarding speculators and those who have withheld their corn from the market?

Think of the effect of such procedure upon the morale of the honest and patriotic farmers of America. Think also of the absurdity of Congress attempting to fix prices upon individual commodities in the manner proposed by the Senate bill which passed that body on yesterday. If we fix the price on corn, by the same token we should fix the price on cotton and every other commodity. Frankly, it is a silly suggestion.

The SPEAKER. The time of the gentleman from North Carolina has expired.

EXTENSION OF REMARKS

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

THE CORN SITUATION

Mr. CLASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLASON. Mr. Speaker, I am very much concerned over this corn situation because I am getting letters and telegrams from constituents who are poultry and dairy farmers who have had no promise from the Office of Price Administration. Apparently these promises were made for the benefit of the Midwest and South, with little

thought of the interest of New England and the Northeast. In other words, the people were told to raise more and more poultry and more dairy products and cattle, and they have done that. Now they have no feed, no grain for their poultry and no feed for their cattle. On the other hand, the Office of Price Administration has placed a support under the price of hogs at \$13.75 and a ceiling price of \$1.07 for corn. The result is that the farmers of the Midwest have got to use their corn to raise hogs at \$13.75 in order to secure the most money for their corn, and they are not putting their corn on the market.

I think the Office of Price Administration and the Government owe a duty to the dairy farmers and the poultry farmers of the United States to bring in other grains, wheat or barley, for the relief of these farmers.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. SABATH addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INCREASING PRICE BY LEGISLATIVE ACTION

Mr. PATMAN. Mr. Speaker, this question of raising the price of any commodity by legislative action is a very serious thing. There are about 8,000,000 different kinds of products and commodities, and if we adopt the policy of raising one, it will be used as a precedent. Furthermore, do you know whether or not you will get corn even if you raise the price to \$1.40? Would you have any assurance that the people who have cattle, hogs, and this corn are not going to use it for their own livestock? Thus you have no assurance whatever that this price will bring corn to the market or that the same parties sponsoring this proposal will not be back here and ask Congress to raise the price of corn to \$1.75 a bushel, or \$2, or \$2.50. If you adopt that kind of policy, if you set that kind of precedent, you will have all kinds of clamor, not only to increase the price of corn again and again, but also the price of other commodities and thus break up price control entirely and have runaway inflation and "black markets" sure enough.

The SPEAKER. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include excerpts and some tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

CORN PRICES

Mr. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WILSON. Mr. Speaker, the corn-for-feed situation is not especially a problem of the East. In my own district the processors of corn are having difficulty getting corn to grind for chicken feed and for other feeding purposes. It seems to me the only solution to this problem will be to lift the ceiling on the price of corn altogether and let the age-old law of supply and demand handle the situation. With a billion bushels of corn in storage right now, I do not believe by any stretch of the imagination that the price of corn will skyrocket. It will increase only to parity with meat, or about \$1.40 a bushel. We must not adjourn until this and other problems are solved. Frankly, I do not believe it a wise policy for us to adjourn at all with our country at war and our domestic economy in such a mess.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a statement by Idaho producers, dealers, wholesalers, and farmers.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include two letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE COMMODITY CREDIT CORPORATION

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, right now is the time when the Commodity Credit Corporation is on trial, and right now they are putting out releases indicating that they intend to do foolish things. How they can expect to obtain the confidence of the Congress when they are doing that is beyond me. I have here a release from them saying they intend to go out and buy up the whole potato crop this next fall. That would be a menace to the supply of potatoes all over the country; that would create another situation that would bring distress upon

the consuming public but would not help the farmer.

I think the Commodity Credit Corporation must realize that until they begin to approach in an intelligent manner the problems they have to face, and quit this monkeying around and fooling with subsidies we are going to be in more and more trouble all the time.

The SPEAKER. The time of the gentleman from New York has expired.

SECOND DEFICIENCY APPROPRIATION BILL, 1943—CONFERENCE REPORT

Mr. CANNON of Missouri submitted the following conference report and statement on the bill (H. R. 3030), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, for printing under the rule.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3030) "making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25 and 27.

Amendment numbered 8: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 8; and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House, insert the following:

"WAR MANPOWER COMMISSION

"National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the Act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That, under commitment to return such

property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any non-Federal vocational education authority within any State may continue to be so used during the period of the present war and for not to exceed six months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period, the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any such existing non-Federal vocational education authority, if applied for within ninety days after the date of enactment of this Act, any real or personal property of the National Youth Administration not required by any other Federal Agency (excepting the Lend-Lease Administration) or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property."

And the House agree to the same.

The committee of conference report in disagreement amendments numbered 24 and 26.

CLARENCE CANNON,

C. A. WOODRUM,

LOUIS LUDLOW,

J. BUELL SNYDER,

EMMET O'NEAL,

LOUIS C. RABAUT,

JOHN TABER,

R. B. WIGGLESWORTH,

W. P. LAMBERTSON,

Managers on the part of the House.

KENNETH MCKELLAR,

CARTER GLASS,

CARL HAYDEN,

GERALD P. NYE,

RUFUS C. HOLMAN,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate Nos. 8, 9, 24, 25, 26, and 27 to the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 8: Senate amendment No. 8 permitted the continuation of the publication and public distribution of the United States Government Manual by the Office of War Information notwithstanding the provisions of the National War Agencies Appropriation Act, 1944. To this amendment the House added an additional paragraph postponing until August 16, 1943, the effective date of the provision in the National War Agencies Appropriation Act, 1944, prohibiting payment of salary to any person in the Office of Price Administration engaged in directing any program of price policy, price ceiling, or maximum price, unless such person, in the judgment of the Administrator, be qualified by experience in business, industry, or commerce. The Senate accepts the House amendment. The effect of the action of both bodies is to include in the bill both amendments relating to the Office of War Information and the Office of Price Administration.

No. 9: The Senate included provision relative to disposition of the property of Na-

tional Youth Administration requiring the Director of Procurement to transfer to any State or State board of vocational education, or county or county board of education, without compensation, any real or personal property of the National Youth Administration which such public body might make application for within 60 days.

The House substituted for this Senate amendment a provision which accomplished the following:

1. Declares all property of the National Youth Administration to be surplus immediately upon the signing of this bill.

2. Directs that all personal property be assembled, inventoried, and turned over to the Procurement Division of the Treasury Department under Executive Order 9235 as expeditiously as possible.

3. Directs that all real property be disposed of by the Commissioner of Public Buildings under the provisions of the act of August 27, 1935.

4. Permits, under commitment of the borrower to return such property to the United States at his expense, any real or personal property of the National Youth Administration in use on June 30 last by any State or other public vocational education authority to continue to be so used during the period of the present war and for not to exceed 6 months thereafter, without compensation, so long as it continues to be used for vocational education purposes.

5. Provides that other property of the National Youth Administration, if not required by other Federal agencies, may be loaned to any State or other public vocational education authority, without compensation, for vocational education and training, for use during the period of the war and not to exceed 6 months thereafter, if applied for within 90 days, if the borrower agrees in the case of personal property to pay all expenses incident to obtaining and returning such property, and if the United States Commissioner of Education certifies that it is to be used for vocational education and training.

6. Provides an additional \$1,500,000 from previous unexpended balances of the National Youth Administration to cover operations from July 1, 1943, until the date of the enactment of the Labor-Federal Security Appropriation Act, 1944, and for further expenses of liquidation; adds this amount to the \$3,000,000 for liquidation expenses in the 1944 appropriation act; and provides that of the combined amount of \$4,500,000, which is available until January 1, 1944, not less than \$1,487,000 shall be set apart exclusively for payment of accumulated and accrued annual leave of employees.

The Senate offered modifying amendments to the foregoing House proposal, which the House conferees have accepted. The first modification provides that none of the National Youth Administration property shall be disposed of under lend-lease. The second modification makes the provisions of the House amendment applicable to any "non-Federal vocational education authority" instead of to "State or other public vocational education authority". This change has the effect of making the House provision applicable to State, other local public vocational education authority, and to private vocational education authority and is broader in scope than the original House amendment.

No. 25: The Senate inserted an additional \$4,318,748 for Federal Crop Insurance and a provision repealing the paragraph in the Agricultural Appropriation Act, 1944, for discontinuance of such insurance. The Senate recedes from this amendment.

No. 27: Eliminates the appropriation of \$8,832,000, inserted by the Senate, for continuance of work on certain airports which was discontinued by the closing down of the Work Projects Administration.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

Nos. 24 and 26: Appropriating \$15,000,000 for assistance to farmers in the areas devastated by floods in 1943. The managers on the part of the House will move to recede and concur in the Senate amendment No. 24 with an amendment.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 3030) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, the managers on the part of the House submit a very satisfactory report and one which I hope will meet with the general approval of the House.

As will be noticed from the statement, the Senate has receded on a large number of these amendments and on the two most controversial amendments, the amendment providing for the continuation of crop insurance and the amendment relative to completion of airports.

The amendment providing for the conservation and distribution of the surplus property of the National Youth Administration is submitted in the form in which it was submitted yesterday with two exceptions.

Under the version in yesterday's conference report, surplus property for vocational education could be lent to public institutions only. Under the language of the Senate amendment private institutions were excluded. The report submitted today modifies the language to read, "to non-Federal institutions," so that under the conference report as submitted this morning, N. Y. A. property now in the possession of schools other than public school is also left there and upon application by schools other than public schools for use of this material it can be lent to them under the conditions approved as heretofore.

Mr. RABAUT. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. RABAUT. The chairman is very correct in his statement that as the N. Y. A. matter was brought in here originally, all of the facilities would be removed from all institutions of every

kind that were not public schools. The idea of the committee was that the work should be continued, if possible, under school headings and if it were so used in universities or any other private institutions, as well as county institutions and State institutions, wherever it happened to be, that it would be lent to them and they would be charged for any damage that was done other than for ordinary wear and tear.

Under the improved language, as the chairman has said, the inserting of the word "non-Federal" does away with the N. Y. A. completely. It was the decision of the Congress to permit the use of this material for purposes of continued training wherever it happens to be, provided they are using it for that purpose, otherwise it is left to the discretion of the Federal Government to dispose of it.

Mr. RANKIN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to ask a question: Under this provision, if these facilities we will say are in a school building and this measure passes, they are loaned, as I understand it, to the school. Is it used then under the exclusive supervision of the school authorities without Federal interference?

Mr. RABAUT. Yes; it is lent to them.

Mr. RANKIN. There is no Federal interference by any Federal agency to disturb that?

Mr. RABAUT. The only Federal interference that could come, as I understand it, would be if it were needed for the Army or Navy for something that they were doing.

Mr. RANKIN. The Army and Navy could take that at any time?

Mr. RABAUT. Yes.

Mr. RANKIN. At any time they needed it?

Mr. RABAUT. Yes.

Mr. RANKIN. Of course, we are all for that.

Mr. CANNON of Missouri. I would like to make one slight correction. The material which is now in the schools cannot be moved from those schools as long as it is being used for vocational education. Even the Army and Navy cannot take it from such schools where it is now in use as long as it is used for that purpose, but material not in the schools, or which may be relinquished by schools, is subject to disposal and purchase by the Army and Navy and other Federal agencies—with one exception. That exception is the other change in the item.

As submitted yesterday, the Federal agencies took priority for any material they wanted and for which they would pay, after the schools had been allowed the equipment they were now using. There was no limitation of agencies. The conferees this time have provided one exception—the Lend-Lease Administration. Any Federal agency has priority except Lend-Lease. Of course, the purpose in excluding Lend-Lease is to prevent material from being transported outside the boundaries of the continental United States.

Mr. RANKIN. Suppose there is a school that has vocational training that does not have any of these facilities. Can it secure these facilities that are relinquished at other establishments?

Mr. CANNON of Missouri. All that is necessary is that the board of education having jurisdiction make application and they will be entitled to any of it subject, of course, to the priorities of other Government agencies.

Mr. RANKIN. That is, the Army and the Navy.

Mr. CANNON of Missouri. Any Government agency excepting Lend-Lease and including the Army and Navy. Material now in the schools cannot be moved and material not in schools and not purchased by Government agencies having priority may be allotted to any other school submitting approved application, for vocational education purposes.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In a case where the National Youth Administration has established a unit and has equipment and materials for training war workers, and there is a desire on the part of the local community, including the county and the city near which it is located, to obtain those facilities for vocational training, what is the procedure under the terms of the agreement between the House and the Senate that will enable the local communities to obtain it?

Mr. CANNON of Missouri. Material in schools which are using it for vocational training—

Mr. WHITTINGTON. This is not in schools.

Mr. CANNON of Missouri. I understand; I am merely prefacing my statement. That material which is in institutions now using it for vocational education cannot be disturbed, but N. Y. A. material, wherever placed, or however used, is subject to the priority of the Government agencies. This material is in great demand. I will say, as I said yesterday, that the Army and the Navy are crying for some of this material. They will have first call. If in the exercise of their priorities no Government agency takes it, it is then subject to sale.

Mr. WHITTINGTON. As I understand, if the United States Commissioner of Education, upon the recommendation of the State vocational board, certifies that those buildings or equipment where these units are established outside of any connection with any local school are to be used for vocational training, the Director of Procurement would give consideration to their application to acquire the property for vocational training.

Mr. CANNON of Missouri. That is the requisite. There must be due certification by the Commissioner of Education.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK. I feel that this training equipment should go to those public schools which have been doing so large a part of this training and doing

it so well. What agency now has control of this material and equipment? Is it the Procurement Division or is it the N. Y. A. up until January 1?

Mr. CANNON of Missouri. The Procurement Division has jurisdiction of personal property. Real estate is subject to Public Buildings.

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from North Carolina.

Mr. KERR. Where the Federal priorities are waived, does that give the local school authorities the right to take over all the properties that are found in these activities and use them for vocational education purposes?

Mr. CANNON of Missouri. They do not have to wait for it to be waived if it is now in local educational institutions and is being used for vocational education; they can continue to use it and without waiver by any agency.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Carolina.

Mr. HARE. There seems to be some change made in this amendment since yesterday. I am anxious to get the exact provision. As I understand, all of this material of the N. Y. A. will be declared surplus and placed with the Procurement Division of the Treasury Department, and the War Department and the Navy Department under existing law will have a prior claim. Is that correct?

Mr. CANNON of Missouri. It may first be claimed by those schools in which it is now being used for vocational education purposes. That is the first priority. The second priority is to Government agencies with the exception of Lend-Lease.

Mr. HARE. Then would not the United States Office of Education be classed as a Government agency, and could not the Office of Education make requisition for all of this material and use it in its vocational-training practices, thereby excluding the War and Navy Departments entirely or any other Government agency?

Mr. CANNON of Missouri. The distinction there is that while it is a Government agency the requisition would not be for the use of a Government agency, it would be for the use of a local agency.

Mr. HARE. The United States Office of Education has charge of vocational training courses; that is, the only vocational training courses we have now in the States are under the supervision and direction of the Office of Education.

Mr. CANNON of Missouri. It would have to be for the use of a Government agency. The fact that it would be for the use of a local agency would leave it without priority.

Mr. HARRIS of Virginia. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Virginia.

Mr. HARRIS of Virginia. How would this amendment work out in a case like this? In Norfolk the N. Y. A. took over an old, abandoned boys' academy and equipped it and did very good work with

it. Now they are going out of business. How would a high school which has vocational education go about getting some of this equipment?

Mr. CANNON of Missouri. Is it sponsored by the local school board?

Mr. HARRIS of Virginia. Yes; operated by the local school board.

Mr. CANNON of Missouri. If it is sponsored and operated by the local school board, that machinery cannot be disturbed.

Mr. HARRIS of Virginia. I mean the N. Y. A. has been operating it by itself previously.

Mr. CANNON of Missouri. In that case it would have to wait until the Army and the Navy exercised their priority. If they do not want it, the school board could make application.

Mr. HARRIS of Virginia. If they do not want it, they would make application to the Procurement Division of the Treasury?

Mr. CANNON of Missouri. The United States Commissioner of Education must certify that it is for use in vocational training.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I feel that while this conference report is before us I should call the attention of the House and the country to the way in which the intentions of Congress are being carried out by one of the agencies which Congress has abolished, the National Youth Administration.

I have before me this morning's Times-Herald. In it there is this press release, very evidently from the N. Y. A.:

CLOTHING ROTS AS NATIONAL YOUTH ADMINISTRATION LAUNDRY IS "WASHED OUT" BY CONGRESS

BIRMINGHAM, ALA.—An \$80,000 laundry operated by the National Youth Administration at nearby Slossfield lay idle today with 15,000 pounds of soiled and wet-wash laundry rotting in its bins.

W. McKay Wright, area manager of National Youth Administration, said no funds were provided to finish the cleaning when the Federal agency was liquidated by Congress, effective last Saturday.

Now here is the picture: They were given \$3,000,000 in that bill which closed them up, in order to liquidate. Instead of spending the money for liquidating and cleaning up the laundry that they had on the way they have evidently spent the money for publicity agents to give out false statements relative to the situation. Publicity agents are not a part of the liquidation, and it is about time that that gang was brought up short. I wonder how many of these telegrams that they sent out since this legislation was got together have been paid for by the Government. It is about time that people of that type had their wings clipped and clipped good and proper.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, on June 10 the Department of State issued a release to the press stating in part that "a draft agreement for United Nations Relief and Rehabilitation Administration

was placed" on that day by the Department of State before the governments of all the United Nations and the other nations associated with them in this war.

Very little publicity was given, but as a member of the Foreign Affairs Committee of this House these items aroused my interest and I began making inquiries. I found that the majority and minority leaders of both Houses had been called to the White House, where they were given the general outline of the idea involved. No member of the Senate Foreign Relations Committee nor of the House Foreign Affairs Committee was invited to be present.

In view of the importance of the proposed agreement, your committee invited Mr. Acheson, of the State Department, to appear before it to give the history of its development and to discuss the organization and purposes set up. Even a superficial reading develops the certainty that this proposal can well be the outline of a possible pattern contemplated by the executive department for post-war international structure.

Your committee was informed that the draft agreement has been agreed to in principle by the four great powers, Russia, China, Great Britain, and the United States; that discussions are under way with the other 40 nations to which it has been sent for study; that a conference will be called as early this fall as can be arranged.

Mr. Speaker and Members of the House, this draft agreement cannot be too carefully studied. There is little doubt in the minds of many members of your Foreign Affairs Committee that it can well be called the shadow of things to come. It is inconceivable that the people of this country will not want to assume their rightful share of the relief and rehabilitation of the devastated countries, but we should watch carefully all agreements with such far-reaching implications as this appears to have.

If the executive department is committing the United States to an agreement of vast implications imposing a moral obligation on the Congress for the fulfillment of these commitments, every Member of this House will want to be thoroughly informed. Therefore, I am inserting herewith copy of the release of June 10.

Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a copy of the release of June 10.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The release referred to follows:

A draft agreement for a United Nations Relief and Rehabilitation Administration was placed today by the Department of State before the Governments of all the United Nations and the other nations associated with them in this war. These nations were informed that the draft agreement had been drawn up in consultation with the British Government, the Soviet Government and the Chinese government, and that the draft proposal meets with the approval of the four Governments. The other Governments were assured, however, that the plan is still tentative and that no action will be proposed until they all have had an opportunity for full consideration and discussion of the

suggested line of approach to this all-important problem.

The draft agreement would provide for the immediate establishment of a central United Nations agency to assume responsibility for the relief and rehabilitation of the victims of war. It is hoped that preliminary discussions among all the United Nations and the nations associated with them will speedily clear the way for a meeting of all these nations at which a definite agreement will be reached providing for joint action on relief and rehabilitation. No definite arrangements, however have been made as yet for a meeting of the United Nations and the other nations involved on the subject of this draft proposal, and no arrangements will be made until all the powers have had an opportunity to consider and discuss the draft agreement fully.

The following nations, in addition to the United States, have signed the United Nations Declaration of January 1, 1942: Great Britain, the Soviet Union, China, Australia, Belgium, Bolivia, Brazil, Canada, Costa Rica, Cuba, Czechoslovakia, the Dominican Republic, El Salvador, Ethiopia, Greece, Guatemala, Haiti, Honduras, India, Iraq, Luxemburg, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Panama, the Philippines, Poland, South Africa, and Yugoslavia.

The nations associated with the United Nations in this war are: Chile, Colombia, Egypt, Ecuador, Iceland, Iran, Liberia, Paraguay, Peru, Uruguay, and Venezuela.

The draft agreement is also being brought to the attention of the appropriate French authorities.

The text of the draft agreement submitted to these nations is attached.

TEXT OF DRAFT AGREEMENT FOR UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

The governments or authorities whose duly authorized representatives have subscribed hereto,

Being United Nations or being associated with the United Nations in this war,

Being determined that immediately upon the liberation of any area by the armed forces of the United Nations the population thereof shall receive aid and relief from their sufferings, food, clothing, and shelter, aid in the prevention of pestilence and in the recovery of the health of the people, and that preparation and arrangements shall be made for the return of prisoners and exiles to their homes, for the resumption of agricultural and industrial production and the restoration of essential services, to the end that peoples once freed may be preserved and restored to health and strength for the tasks and opportunities of building anew,

Have agreed as follows:

ARTICLE I

There is hereby established the United Nations Relief and Rehabilitation Administration.

1. The Administration shall have power to acquire, hold, and convey property, to enter into contracts and undertake obligations, to designate or create agencies and to review the activities of agencies so created, to manage undertakings, and in general to perform any legal act appropriate to its objects and purposes.

2. Subject to the provisions of article VII, the purposes and functions of the Administration shall be as follows:

(a) To plan, coordinate, administer, or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provision of food, fuel, clothing, and other basic necessities, housing facilities, medical and other essential services; and to facilitate in areas receiving relief the production and transportation of these articles and the furnishing of these services so far as necessary to the adequate

provision of relief. The form of activities of the Administration within the territory of a member government wherein that government exercises administrative authority and the responsibility to be assumed by the member government for carrying out measures planned by the Administration therein shall be determined after consultation with and with the consent of the member government.

(b) To formulate and recommend measures for individual or joint action by any or all of the member governments for the coordination of purchasing, the use of ships and other procurement activities in the period following the cessation of hostilities, with a view to integrating the plans and activities of the Administration with the total movement of supplies, and for the purpose of achieving an equitable distribution of available supplies. The Administration may administer such coordination measures as the member governments authorize.

(c) To formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters, arising out of its experience in planning and performing the work of relief and rehabilitation, as may be proposed by any of the member governments and approved by unanimous vote of the central committee.

ARTICLE II

Membership

The members of the United Nations Relief and Rehabilitation Administration shall be the governments or authorities signatory hereto and such other governments or authorities as may upon application for membership be admitted thereto by action by the council or between sessions of the council, by the central committee.

Wherever the term "member government" is used in this agreement it shall be construed to embrace such authorities as shall have signed the agreement or shall subsequently become members of the Administration.

ARTICLE III

The council

1. Each member government shall name one representative, and such alternates as may be necessary, upon the council of the United Nations Relief and Rehabilitation Administration, which shall be the policy-making body of the Administration. The council shall, for each of its sessions, select one of its members to preside at the session.

2. The council shall be convened in normal session not less than twice a year by the central committee. It may be convened in special session whenever the central committee shall deem necessary, and shall be convened within 30 days after request therefor by a majority of the members of the council.

3. The central committee of the council shall consist of the representatives of China, the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America, with the Director General presiding. Between sessions of the council it shall exercise all the powers and functions thereof. It shall invite the participation of the representatives of any member government at those of its meetings at which action of special interest to such government is discussed. It shall invite the participation of the representative serving as chairman of the committee on supplies of the council at those of its meetings at which policies affecting the provision of supplies are discussed.

4. The committee on supplies of the council shall consist of the members of the council, or their alternates, representing those member governments likely to be principal suppliers of materials for relief and rehabilitation. The members shall be appointed by the central committee, with the approval of the council if it be in session and otherwise

subject to its ratification. The committee on supplies shall consider, formulate, and recommend to the central committee and the council policies designed to assure the provision of required supplies. The central committee shall from time to time meet with the committee on supplies to review policy matters affecting supplies.

5. The committee of the council for Europe shall consist of all the members of the council, or their alternates, representing member governments of territories within the European area, and such other members of the council, representing other governments directly concerned with the problems of relief and rehabilitation in the European area, as shall be appointed by the central committee, with the approval of the council if it be in session and otherwise subject to its ratification. The committee of the council for the Far East shall consist of all the members of the council, or their alternates, representing member governments of territories within the Far Eastern area, and such other members of the council representing other governments directly concerned with the problems of relief and rehabilitation in the Far Eastern area as shall be appointed by the central committee, with the approval of the council if it be in session and otherwise subject to the council's ratification. The regional committees shall normally meet within their respective areas. They shall consider and recommend to the council and the central committee policies with respect to relief and rehabilitation within their respective areas. The committee of the council for Europe shall replace the inter-allied committee on European post-war relief established in London on September 24, 1941, and the records of the latter shall be made available to the committee for Europe.

6. The council shall establish such other standing regional committees as it shall consider desirable, the functions of such committees, and the method of appointing their members being identical to that provided in paragraph 5 of this article with respect to the committees of the council for Europe and for the Far East. The council shall also establish such other standing committees as it considers desirable to advise it, and, in intervals between sessions of the council, to advise the central committee. For such technical standing committees as may be established, in respect of particular problems such as nutrition, health, agriculture, transport, repatriation, and finance, the members may be members of the council or alternates nominated by them because of special competence in their respective fields of work. The members shall be appointed by the central committee, with the approval of the council if it be in session and otherwise subject to its ratification. Should a regional committee so desire, subcommittees of the technical standing committees shall be established by the technical committees in consultation with the regional committees, to advise the regional committees.

7. The travel and other expenses of members of the council and of members of its committees shall be borne by the governments which they represent.

8. All reports and recommendations of committees of the council shall be transmitted to the Director General for distribution to the council and the central committee by the secretariat of the council established under the provisions of article IV, paragraph 4.

ARTICLE IV

The Director General

1. The executive authority of the United Nations Relief and Rehabilitation Administration shall be in the Director General, who shall be appointed by the council on the nomination by unanimous vote of the central committee. The Director General may be removed by unanimous vote of the central committee.

2. The Director General shall have full power and authority for carrying out relief operations contemplated by article I, paragraph 2 (a), within the limits of available resources and the broad policies determined by the council or its central committee. Immediately upon taking office he shall in conjunction with the military and other appropriate authorities of the United Nations prepare plans for the emergency relief of the civilian population in any area occupied by the armed forces of any of the United Nations, arrange for the procurement and assembly of the necessary supplies and create or select the emergency organization required for this purpose. In arranging for the procurement, transportation, and distribution of supplies and services, he and his representatives shall consult and collaborate with the appropriate authorities of the United Nations and shall, wherever practicable, use the facilities made available by such authorities. Foreign voluntary relief agencies may not engage in activity in any area receiving relief from the Administration without the consent and unless subject to the regulation of the Director General. The powers and duties of the Director General are subject to the limitations of article VII.

3. The Director General shall also be responsible for the organization and direction of the functions contemplated by article I, paragraphs 2 (b) and 2 (c).

4. The Director General shall appoint such Deputy Directors General, officers, expert personnel, and staff at his headquarters and elsewhere, including field missions, as he shall find necessary, and he may delegate to them such of his powers as he may deem appropriate. The Director General, or upon his authorization the Deputy Directors General, shall supply such secretariat and other staff and facilities as shall be required by the council and its committees, including the regional committees and subcommittees. Such Deputy Directors General as shall be assigned special functions within a region shall attend meetings of the regional standing committee whenever possible and shall keep it advised on the progress of the relief and rehabilitation program within the region.

5. The director general shall make periodic reports to the central committee and to the council covering the progress of the administration's activities. The reports shall be made public except for such portions as the central committee may consider it necessary, in the interest of the United Nations, to keep confidential. The director general shall also arrange to have prepared periodic reports covering the activities of the administration within each region, and he shall transmit such reports with his comments thereon to the council, the central committee, and the respective regional committees.*

ARTICLE V

Supplies and resources

1. Each member government pledges its full support to the administration, within the limits of its available resources and subject to the requirements of its constitutional procedure, through contributions of funds, materials, equipment, supplies, and services, for use in its own, adjacent, or other areas in need, in order to accomplish the purposes of article I, paragraph 2 (a). All such contributions received by the administration shall be accounted for.

2. The supplies and resources made available by the member governments shall be kept in review in relation to prospective requirements by the director general, who shall initiate action with the member governments with a view to assuring such additional supplies and resources as may be required.

3. All purchases by any of the member governments, made outside their own territories during the war for relief or rehabilitation purposes, shall be made only after consultation with the director general, and shall, so

far as practicable, be carried out through the appropriate United Nations agency.

ARTICLE VI

Administrative expenses

The director general shall submit to the council an annual budget, and from time to time such supplementary budgets as may be required, covering the necessary administrative expenses of the administration. Upon approval of a budget by the council, the total amount approved shall be allocated to the member governments in proportions to be determined by the council. Each member government pledges itself, subject to the requirements of its constitutional procedure, to contribute to the administration promptly its share of the administrative expenses so determined.

ARTICLE VII

Notwithstanding any other provision herein contained, while hostilities or other military necessities exist in any area, the administration and its director general shall not undertake activities therein without the consent of the military command of that area, and unless subject to such control as the command may find necessary. The determination that such hostilities or military necessities exist in any area shall be made by its military commander.

ARTICLE VIII

Amendment

The provisions of this agreement may be amended by unanimous vote of the central committee and two-thirds vote of the council.

ARTICLE IX

Entry into force

This agreement shall enter into force with respect to each signatory on the date when the agreement is signed by that signatory, unless otherwise specified by such signatory.

The SPEAKER. The time of the gentleman from Ohio has expired.

[Mr. CANNON of Missouri addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker—
Mr. ROESION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.
Mr. ROESION of Kentucky. I have read the statement made in the press that between the 5th of January 1943, when this Congress met and the time it expects to recess today, July 8, it will have appropriated \$130,000,000,000. This is a larger sum than I had thought we were appropriating. What does the gentleman say without being exact to the dollar what sum the Congress will have appropriated if this bill that is now in controversy is approved?

Mr. TABER. I would not want to say for sure, but the amount appropriated is well over 115 or 120 billions; I have not the figure exactly.

Mr. CANNON of Missouri. If the gentleman will permit, it aggregates approximately \$115,000,000,000.

Mr. TABER. One hundred and fifteen billion dollars?

Mr. CANNON of Missouri. Yes; for the session.

Mr. TABER. Does it include the pending bills?

Mr. CANNON of Missouri. Yes; it includes pending appropriation bills. We

are by this time able to estimate them with fair accuracy. In round figures the total amount appropriated for the session will aggregate approximately \$115,000,000,000.

Mr. Speaker, if the gentleman will permit me to submit the request at this time, I ask unanimous consent to extend my remarks and to include at this point a complete statement of the various appropriations made at this session.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. The following statement is a listing of the various appropriations acts during the first session of the Seventy-eighth Congress. These amounts are the direct appropriations enacted during the session. The total of slightly in excess of \$114,000,000,000 compares with a total similarly appropriated at the last session of the Seventy-seventh Congress of \$147,000,000,000.

Total of appropriation bills for direct appropriations, 78th Cong., 1st sess.

Agricultural Appropriation Act, 1944.....	\$848,295,883.00
District of Columbia Appropriation Act, 1944.....	55,466,565.00
Independent Offices Appropriation Act, 1944.....	2,621,366,879.00
Interior Department Appropriation Act, 1944.....	104,608,921.00
Labor-Federal Security Agency Appropriation Act, 1944:	
Department of Labor.....	27,794,050.00
Federal Security Agency.....	719,749,460.00
Other related independent agencies.....	389,623,500.00
Total.....	1,137,167,010.00
Legislative-Judiciary Appropriation Act, 1944:	
Legislative.....	28,363,988.00
The Judiciary.....	12,530,490.00
Total.....	40,894,478.00
Military Appropriation Act, 1944.....	59,034,839,673.00
Naval Appropriation Act, 1944, and deficiencies, 1943.....	27,637,226,198.00
State, Justice, and Commerce Departments Appropriation Act, 1944:	
State Department.....	33,523,100.00
Department of Justice.....	102,657,300.00
Department of Commerce.....	85,225,000.00
Total.....	221,405,400.00
Treasury and Post Office Departments Appropriation Act, 1944:	
Treasury Department.....	201,222,740.00
Post Office Department.....	899,468,535.00
Total.....	1,100,691,275.00
War Department civil functions, 1944.....	63,657,098.00
Total, regular annual acts.....	92,865,619,380.00
Deficiency and supplemental acts:	
First Deficiency Appropriation Act, 1943.....	4,106,261,194.96
Urgent Deficiency Appropriation Act, 1943.....	22,410,676.17
Naval Supplemental Appropriation Act, 1943.....	3,836,176,119.00
Farm Labor Supply Appropriation Act, 1943 and 1944.....	26,100,000.00
Further Urgent Deficiency Appropriation Act, 1943.....	7,246,700.00
Further Urgent Deficiency Appropriation Act, 1943.....	143,430,591.56
Defense Aid Supplemental Appropriation Act (lend-lease), fiscal 1944.....	6,273,629,000.00
National War Agencies Appropriation Act, 1944.....	2,911,697,224.00
Second Deficiency Appropriation Act, 1943.....	253,256,179.72
Total, supplemental and deficiency acts.....	17,580,207,685.41
Grand total, all appropriation acts.....	110,445,827,065.41

Permanent appropriations (exclusive of trust funds):

Interest on the public debt, 1944.	\$3,000,000,000.00
Public debt retirement funds, 1944.	593,907,551.00
Miscellaneous, 1944.	197,982,958.00

3,791,890,509.00

Grand total. 114,237,718,574.41

Mr. TABER. Does the \$115,000,000,000 include the reappropriations?

Mr. CANNON of Missouri. No; it is not customary to include reappropriations in such statements. To do so would be counting such funds twice. They were included in the total tabulation of the appropriations for the last session of the Seventy-seventh Congress. To include them here would amount to duplication. The total appropriations for the last session of Congress amounted to \$147,000,000,000. The total for this session is \$115,000,000,000 and we cannot include the same funds as an appropriation in the last session and as a reappropriation in this session. For that reason reappropriations are always omitted in comparative session statements.

Mr. TABER. The reappropriations run somewhere around \$15,000,000,000, and this sum would lapse into the Treasury if it were not reappropriated. Considering therefore the amount of money this Congress has made available it is necessary to include the reappropriations and this would make approximately the figure the gentleman from Kentucky suggested, \$130,000,000,000.

Mr. CANNON of Missouri. Likewise, the reappropriations next year will run somewhere around \$15,000,000,000 and would also lapse into the Treasury if not reappropriated. But after counting them as appropriations this year we cannot again count the same money in the form of reappropriations next year. It is as long as it is broad, and the amount mentioned by the gentleman from Kentucky is in error. The appropriations have been accurately tabulated by the clerks of the committee who have been making these estimates for many years, and the final figure for the session is \$115,000,000,000.

Mr. ROBSION of Kentucky. I would like to inquire of the Chairman of the Appropriations Committee, the gentleman from Missouri, [Mr. CANNON] and the gentleman from New York [Mr. TABER] the ranking minority member of the Appropriations Committee, how much of this \$130,000,000,000—

Mr. CANNON of Missouri. It is \$115,000,000,000.

Mr. ROBSION of Kentucky. One hundred and thirty billion dollars if you include the \$15,000,000,000 that have been reappropriated.

Mr. CANNON of Missouri. But you can not include the \$15,000,000,000 of reappropriations because they have already been counted when originally appropriated in the last session. If you include them here then you must take out the \$15,000,000,000 which will not be spent this year and will be reappropriated next year. From year to year the unexpended balances reappropriated average about the same from one session to another.

Mr. ROBSION of Kentucky. The \$15,000,000,000 that have not been spent

would revert to the Treasury but for the reappropriations. I just want to get the facts. How much of this \$130,000,000,000—

Mr. CANNON of Missouri. It is \$115,000,000,000.

Mr. ROBSION of Kentucky. One hundred and thirty billion dollars is the amount that we have appropriated; \$15,000,000,000 of it has been reappropriated and \$115,000,000,000 is new appropriation since the 6th of January 1943. What I am trying to find out is how much of that goes for the purpose of prosecuting the war.

Mr. CANNON of Missouri. If you add the approximate \$15,000,000,000 reappropriated from last year you will have to take out the approximately \$15,000,000,000 which will remain unexpended at the end of this year and will be reappropriated for next year. So the total amount for the session is \$115,000,000,000. Of this amount all except about six or seven billion dollars is for the prosecution of the war. Of the \$147,000,000,000 appropriated last year, something like seven to nine billion was for Government establishments, that is, for nonwar purposes and the remainder was for the war program. During this session we have cut down nonwar expenditures somewhat and all of the \$115,000,000,000 appropriated this session goes for the prosecution of the war with the exception of some six or seven billion dollars for other purposes.

Mr. ROBSION of Kentucky. I think the gentleman from New York and the gentleman from Missouri for the information.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, of course the conference report now contains only two amendments still in disagreement, therefore any discussion of those amendments not in disagreement is largely a waste of time; yet I think it is justified and I wish to discuss for just a few moments the amendment I sought to offer yesterday, not because I think anything can be done about it as far as this bill is concerned, but because I believe that this Congress before it recesses should make some provision for the crying needs which that amendment sought to relieve.

That amendment sought to provide \$6,000,000 to carry on till July 1945, the educational program of National Youth Administration, but under the Office of Education, including the war training program. It sought to furnish the funds to enable schools and colleges to avail themselves of the property that N. Y. A. has been using in training and manufacturing plants by re-assembling, and rehabilitating those plants.

The prime reason for continuing the educational program proper, is the desperate national need of new teachers. There are right now 13,000 classrooms without teachers. There must be found more than 100,000 additional teachers this fall unless we close the doors of the schools in America—an educational

lockout, if you please—in the faces of 500,000 children.

Mr. HARE. Will the gentleman yield? Mr. HOBBS. I am so happy to yield to the gentleman from South Carolina.

Mr. HARE. I might say that the subcommittee handling the appropriation for the Federal Security which included the National Youth Administration recommended to the full committee that if the National Youth Administration were continued that these \$4,000,000 would be made available for student aid in colleges upon the condition that such students would show, first, the need for aid, and, second, that upon the completion of their course in college they would be available for teachers in the public schools. Of course, that provision was eliminated by the full committee of the House.

Mr. HOBBS. I thank the gentleman for his contribution, and I thank him, too, for his cooperative attitude throughout the whole of the negotiations on this matter. I have been working with him and other Members of the House and Senate for more than a week, day and night, to put this over.

Whether or not you favored the abolition of N. Y. A., we ought to preserve the good that was in the program, especially when there is such a tragic national need at this time that these services be continued.

That is what my amendment sought to provide the money for. The amount provided was not large. It was about the exact amount of the N. Y. A. unexpended balance before we began to whittle on it. More than 100,000, nearer 1,000,000 teachers have gone to war or into war industries. This is not a criticism of them, but we must have teachers to take their places if our educational program is not to be jeopardized. Let us serve these vital needs before we go home.

For your information, please permit me to read again my amendment:

Amendment offered by Mr. HOBBS: After the committee or House conferees' amendment, insert:

"Such unexpended balance, after the funds made available hereinabove shall have been deducted, the remainder shall be transferred and credited to the United States Office of Education for the continuation during the fiscal year 1943 of the war training and educational program in schools and colleges by virtue of the cooperation of National Youth Administration, plus such additional amount as may be necessary to increase such remainder to the sum of \$6,000,000, which additional amount is hereby appropriated and made available for such purpose."

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include the amendment which I sought to introduce yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

Mr. DWORSHAK. Will the gentleman yield to me?

Mr. CANNON of Missouri. I yield to the gentleman.

Mr. DWORSHAK. In the absence of a printed report, will the gentleman from Missouri inform the House what disposition was made of amendment No. 26? I do not think any explanation of that has been made.

Mr. CANNON of Missouri. That is the flood amendment, and that is still in disagreement. We will take that up for consideration as soon as the conference report is disposed of.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that we postpone the consideration of Senate amendment No. 24 until we dispose of Senate amendment No. 26.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Senate amendment No. 26: On page 13, line 15, insert the following:

"That in order to aid in the temporary rehabilitation of farmers whose buildings, crops, livestock, machinery, and equipment were destroyed or damaged, in whole or in part, by floods in 1943, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide relief to any such farmer, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to replace or repair any property so destroyed or damaged, and to obtain the necessary seed, livestock, and equipment to enable him to continue farming operations, and for that purpose there is hereby authorized to be appropriated the sum of \$15,000,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 26, and agree to the same with an amendment, as follows:

"In lieu of the matter proposed to be inserted by such amendment, insert the following:

"In order to provide assistance to farmers whose property was destroyed or damaged, in whole or in part, by floods in 1943, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide assistance to any such farmer by loans, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to continue farming operations in order to produce for the war effort, including personal services in the District of Columbia and elsewhere, printing and binding, travel, and other miscellaneous and incidental expenses, fiscal year 1944, \$15,000,000: *Provided*, That not more than 10 percent of the foregoing amount shall be used for administrative expenses."

Mr. CANNON of Missouri. Mr. Speaker, it will be noted that this amendment is presented in the form in which it was presented yesterday except that in response to the suggestion of the distinguished gentleman from Mississippi [Mr. WHITTINGTON], the chairman of the Committee on Flood Control, who in my

opinion knows more about flood conditions, flood data, and flood legislation than any other Member of either House, we omitted grants. It now applies only to loans.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In listening to the reading of the amendment I did not hear the Clerk read the language about obtaining necessary seed, livestock, and equipment. I am wondering if that language appears in the amendment.

Mr. CANNON of Missouri. It does not appear in the amendment, but under the provisions of the paragraph such loans are admissible under existing law.

Mr. WHITTINGTON. What is the purpose of the loans designed to enable the farmers to obtain necessary seed, livestock, and equipment? For what are the loans to be used? It looks to me as if the language I mention is rather essential, in the absence of an explanation of the purpose and meaning of the amendment.

Mr. CANNON of Missouri. There are two conditions precedent. In the first place, a man must have suffered loss by flood. No one else is eligible. That is the first restriction. Second, a loan is available only on condition that it be used to stimulate the production of food. Expenditures for seed, lime, fertilizer, and so forth, would be in direct furtherance of the purpose of the act, the production of food, and would be in order. Having borrowed the money, he could use it for any of the purposes indicated by the gentleman from Mississippi.

Mr. WHITTINGTON. The substitute provides that the loans shall be made in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe. If these loans are used for the purpose of purchasing seed or buying tractors or equipment, is it intended under the "terms and conditions" that the Secretary of Agriculture or the agency that he may utilize in the administration of the amendment shall require security on the livestock or equipment that may be purchased by the farmer for the purpose of producing more crops and on the crops to be grown, just as is now provided in the case of seed loans by the Farm Credit Administration, in the case of rehabilitation loans by the Farm Security Administration, and in the case of disaster loans?

Mr. CANNON of Missouri. It is included in the phrase "terms and conditions." It is presumed that the Secretary of Agriculture will follow in this instance the same routine followed in making other loans to which the gentleman has referred. Loans made under the same terms and conditions would include the same provisions for security.

Mr. WHITTINGTON. With the same security and with the same rate of interest?

Mr. CANNON of Missouri. The same security and the same rate of interest.

Mr. WHITTINGTON. So that this substitute eliminates grants or relief or a dole and provides only that loans shall be made with the stipulation that the

terms and conditions and security are to be approved by the Secretary of Agriculture?

Mr. CANNON of Missouri. This has nothing to do with doles, gifts, grants, or gratuities.

Mr. CALVIN D. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. In many instances I would think it would be necessary for rehabilitation work to be done, probably the repair of the home or the repair of the sheds, barns, and other buildings, and the ditching of fields.

Mr. CANNON of Missouri. If that was in furtherance of the production of food, if it was a part of the program to accelerate crop production, it would be in order. Otherwise the funds would have to be secured from some other source.

Mr. CALVIN D. JOHNSON. The thing I was trying to get away from was a farmer's having to borrow from two Federal agencies for the purpose of putting his farm back into operation; but if in the opinion of the gentleman work such as that may be done, he could have a place to live while he was producing.

Mr. CANNON of Missouri. A farmer must have a barn for stock and equipment, he has to have a house for his family in order to continue production. Under those terms he would be entitled to a loan to provide either and similar facilities.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In this connection, I am still of the opinion that in some cases grants should be made and I assume they will be made under existing law by the Farm Security Administration. In my judgment, it would have been wiser to increase if necessary the appropriation to the Farm Security Administration to provide for both loans and grants with the same security and for the same purposes as rehabilitation loans and grants may now be made. I made my position known yesterday. I have not changed my mind. I insist on treating all flood sufferers of all years equally without discrimination.

Mr. CANNON of Missouri. The managers on the part of the two Houses in conference last night struck out the word "grants" in response to the objection made by the gentleman on the floor yesterday.

Mr. WHITTINGTON. But did not include security which I repeatedly emphasized, although the explanation of the amendment contemplates the same or similar security as in the case at rehabilitation loans by the Farm Security Administration. This colloquy shows the intent and purpose in making the appropriation.

Mr. CANNON of Missouri. Provision for requiring security, if conditions warrant, is clearly carried in the amendment.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. CURTIS. Under the provisions of the language as it now is, the Secretary of Agriculture may loan money for a man to buy a new farm, may he not?

Mr. CANNON of Missouri. Not under this provision.

Mr. CURTIS. Why not?

Mr. CANNON of Missouri. Under the terms of the amendment the applicant must not only have suffered damage to his property by flood, but such loans are to enable the farmer to continue forming operations on such property.

Mr. CURTIS. Is there a Budget estimate for this?

Mr. CANNON of Missouri. No; it is an emergency appropriation.

Mr. DWORSHAK. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Idaho.

Mr. DWORSHAK. Does not the Farm Security Administration already have funds available to rehabilitate farmers in distress and to stimulate the production of food?

Mr. CANNON of Missouri. Such loans would not necessarily be permissible here. Farm Security loans are limited to needy farmers. But even if such loans were in order, it must be remembered that the appropriation for such loans has been materially reduced in the 1944 bill. Whereas F. S. A. was given something like \$136,000,000 for loans this year, the amount for 1944 has been reduced to approximately \$80,000,000—a cut of nearly one-half in the face of vastly increased need.

Mr. HAGEN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. HAGEN. It is my understanding that these funds will be available to farmers in Minnesota as well? We have had floods there, you know.

Mr. CANNON of Missouri. Wherever farmers have suffered loss by flood; in any part of the United States, including the great and fertile State of Minnesota.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.

Mr. HAYS. The purpose of the loan is for the production of food?

Mr. CANNON of Missouri. That is the prime purpose of these loans. Some of the most fertile land in the country, the river plains where largest quotas of surplus food are produced, has been covered with as much as 6 feet of water. Machinery, stock, and buildings have been swept away. The purpose is to make it possible to get in a short crop this year and make arrangements to secure a full crop next year.

Mr. HAYS. I would like to commend the conferees for that. The district which I represent lies in the Arkansas Valley, and in many instances the recent flood, which was the most disastrous in our history, left sand banks on much of the fertile land. The cost of producing food would include the cost of removing the debris and sand and getting the land ready for production, as well as for the

actual seed and other crop costs; is that true?

Mr. CANNON of Missouri. The purpose is to get the land back into production as quickly as possible. One of the prime needs of the country today and one of the most essential requirements for the successful prosecution of the war is food.

Mr. HAYS. One other question, because it seems to me it is vital for the production of food. I have discussed it with Governor Black, and I am sure it has given him very much concern. That is, the taking of security on other property of the farmer, than the crop to which this is devoted. In other words, you would not expect that the security, the lien, would be extended to other property?

Mr. CANNON of Missouri. Of course, any security the farmer offered could be taken, although it is customary in making these loans to take as security property purchased with the loan.

Mr. BISHOP. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Illinois.

Mr. BISHOP. I am sure there is no Member of the House more informed about this flood condition than the gentleman from Missouri. Does this satisfy the gentleman as the best thing we can possibly do for these people at this time?

Mr. CANNON of Missouri. With this exception: We provided in the version submitted yesterday that grants might be made in exceptional cases. That provision has been removed in order to meet criticism made on the floor yesterday. With that exception, I think it is satisfactory in every respect.

Mr. BENNETT of Missouri. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. BENNETT of Missouri. We already have the Disaster Loan Corporation, with a capital of \$40,000,000, to make loans in case of flood disasters, but they require certain collateral. As I understand it, this proposition is to obviate that difficulty which the farmers are having?

Mr. CANNON of Missouri. Time is the essence. We must get action immediately. The season is far advanced in most sections of the country. The idea is to provide money for immediate use, so that production can get under way in the shortest possible time.

Mr. Speaker, I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point and to include certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OREGON LEADS IN SHIP CONSTRUCTION AND LEADS THE WAY TO VICTORY

Mr. ANGELL. Mr. Speaker, there are many provisions in the bill H. R. 3030 in which the people of my State are interested. There is another subject, however, which I want to discuss briefly at this time.

Mr. Speaker, there was recently launched in the Swan Island shipyard of the Kaiser Co., Inc., in my district, a 16,500-ton tanker, christened *Fort George*, which was on the ways only 67 days. The keel was laid on April 21. This was the nineteenth launching at this plant of vessels of this size. The day before, the Oregon Shipbuilding Corporation, another Kaiser company, launched the two hundred and eighth Liberty ship. During June the seven yards under Kaiser management in the Richmond, Calif., and Portland-Vancouver areas delivered into service a ship each 15 hours, and they assure us that they will deliver one every 13 hours during July. In the Richmond yard alone, 25 ships were delivered this month, which is said to be a world record for a single shipbuilding yard. In the Vancouver yard, which is in the Portland area, 3 aircraft carriers were launched in 26 days. In my district, the Swan Island yard holds the world record for production of P-2 tankers per way. This is the most famous shipyard in the world and holds all records for the launching of ships delivered for each individual way. The Kaiser plants in the Portland-Vancouver area have 90,000 workers working the clock around, producing sturdy dependable ships, which are carrying the war to the seven seas and helping to bring victory to the Allies and to overcome the toll of the deadly submarine. In the complete Kaiser organization there are 200,000 workers. These yards have established an all-time record in speed and efficiency in the construction of ships so vitally needed in our war effort. The remarkable thing is that in this vast organization, hastily gathered together, with workers from all parts of the United States, there has been no labor trouble, management and labor toiling together 24 hours a day to construct the ships needed to carry and protect our men in uniform and to keep supply lines open that they may be fed, equipped and supplied with the tools of war.

An unfortunate incident was recently reported in the press, arising out of a misunderstanding when hearings were being held in Portland by a subcommittee of the House of Representatives, in which our colleague the gentleman from Pennsylvania, Representative VAN ZANDT, was credited with having said that some of the Kaiser ships were of faulty construction and that some of them had been lost at sea by reason of defects in construction. There is no basis in fact for such a contention, and the newspaper releases arose by reason of misinterpretation of the facts under consideration and through inadvertence stating that a few ships were lost through faulty construction and that they came from the Kaiser yards. As a matter of fact, there was no basis in fact for this statement. The gentleman from Pennsylvania, Representative VAN ZANDT, corrected the false impression, as shown by a statement to the Oregon Journal of July 3. I quote from the Oregon Journal as follows:

In a statement to The Journal Friday evening, Representative VAN ZANDT said:

"I did not say that four Liberty ships from the Portland or any other Kaiser yards had broken up at sea due to faulty construction. No such statement will be found in the record of our congressional hearing in Portland or elsewhere. On the contrary, I have been up and down the Atlantic and the Pacific coasts visiting the shipyards and the best operated and functioning yards I have seen are the Kaiser shipyards at Portland and Vancouver.

"One other yard I have seen in their class and that is at Sausalito, Calif. I well know the blow to the morale of shipbuilders that would be caused by the statement that Liberty ships were breaking up at sea without enemy attack. I know the fear that would be created in the minds of fathers, mothers, wives and other relatives of members of the crew.

"I am glad to correct a misunderstanding by the statement I make here. I think the report, which, I repeat, is not in the record of our hearing, arose from the misreading of some statistics.

"If there is any responsibility involved in this incident I wish to accept it personally and not let it rest upon the committee."

Mr. Speaker, as a representative of the Third Congressional District of Oregon, in which two of the Kaiser yards are located, I am proud of the record made by this great organization and the great contribution it is making to the winning of the war. Furthermore, I want to say that the Kaiser organization is only one of a number of concerns engaged in building ships for the war in the Portland area. The Willamette Iron & Steel Co., an organization which throughout the years has performed outstanding service in the last World War, as well as this, the Albina Engine & Machine Works, Poole & McGonigle, and Commercial Iron Works, are doing most excellent work in the production of ships and other war instrumentalities. The Iron Fireman, while not directly engaged in shipbuilding, through its work and that of its associated companies are doing an outstanding job in the construction of marine engines and other equipment for war use.

VETERANS' PAY AFTER WAR ENDS

Mr. Speaker, on July 2, 1943, I introduced in the House a bill which has for its purpose to continue the pay of all persons serving in the armed forces of the United States for 1 year after the termination of the present conflict. The text of the bill is as follows:

Be it enacted, etc., That the pay, exclusive of allowances, of all persons in the armed forces of the United States on or after December 8, 1941, and at the date of the termination of the present conflict, unless previously honorably discharged, and who shall have served at least 90 days, shall be continued for a period of 1 year from the date of their honorable discharge, separation, or release from active service, during which 1-year period such persons shall be members of the reserve forces: *Provided*, That in no event shall the monthly pay of any such persons, during the 1-year period exceed \$200 unless recalled for active service: *Provided further*, That within the monthly pay limitation imposed herein, the increased percentage in pay allowed for foreign service shall apply where any such service is shown.

Mr. Speaker, we expect to have at least 10,000,000 men in the armed forces be-

fore the termination of the war. When the war ends, these millions of servicemen will be mustered out and will be faced with the problem of finding remunerative employment in civil life. At the same time, 20,000,000 or more of war workers engaged in enterprises having to do with the prosecution of the war will likewise be compelled to readjust their lives to a peacetime regime. These great groups of American citizens will be competing with one another for becoming useful citizens in the post-war world. The men who have been called to the service in this time of our great tragedy when the very life and perpetuation of our Nation is at stake are entitled to every consideration when the war ends, so that they may be transferred from military service to civil pursuit without being subjected to privation and the horrors of unemployment. We all recall the bitter experiences following the end of World War No. 1.

As stated, the purpose of this bill which I am sponsoring, which is one of a number with the same objective, namely, to cushion the shock of demobilization and provide a reasonable period on pay, bridging over the gap between demobilization and placement in remunerative civil employment. By the terms of the bill the pay of persons in the armed forces who have served at least 90 days shall be continued for a period of a year from the date of their honorable discharge, separation, or release from active service, during which time such persons shall be members of the reserve force. The enactment of this legislation would enable these men who served our Nation with honor to have sustenance during the critical period following the cessation of activities and the resumption of civil pursuits.

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. JENSEN. Would it not be well to have an explanation placed in the RECORD showing the farmers how they should go about it in order to obtain one of these loans?

Mr. CANNON of Missouri. It is my understanding, if the gentleman will permit, that the Secretary of Agriculture will immediately upon the enactment of this law issue a detailed pamphlet on procedure. It is a matter requiring some little study and should be left to the Department rather than to attempt to take it up here at this time. But it will have prompt attention by the Department, I can assure the gentleman.

Mr. JENSEN. I am glad to have that information. After all, there are many times when the farmers are busy and have many things to do and they do not understand exactly how to go about getting one of these loans. I receive many letters from folks asking me just such things—how they shall go about it to do certain things. It seems to me they are not getting proper information.

Mr. CANNON of Missouri. In each county representatives of the Department, including the county agent, the Extension Service, and the Farm Security Administration, are in a position to advise all interested farmers as to procedure.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I desire to take this time to speak on the plight of the American farmer. I also want to preface my remarks, because they might be construed as partisan, by reading what a former ardent New Dealer had to say about the farm situation in America. This is a recent statement by Louis Bromfield, well-known author and dirt farmer, who operates a big farm in Indiana:

I think it fair to say that nothing practical whatever has been done to help the farmer to produce more. This scandal, and by next autumn it will be one of the greatest scandals in American history, affects the whole future history of ourselves and of the world.

Its repercussions will destroy the future of the Democratic Party for years, the future of liberalism, even the future possibility of a decent peace.

Again I repeat, this is not a Republican speaking; it is not even a Democrat speaking; it is a former ardent New Dealer and supporter of President Roosevelt.

Having prefaced my remarks by reading a statement from Mr. Bromfield, I desire to make some comments of my own. I do not know what the conference committee will do on the question of subsidies. I hope the conferees will bring the issue back to the House so we can have a fair and clear-cut vote whether we want subsidies or not. That is the only fair thing to do, to afford an opportunity to the Members of the House to meet the issue squarely, fairly, openly, and fearlessly. If we adopt a system of subsidies, if we let the camel get his nose, just the tip end of his nose, under the tent and smell these subsidies and political hand-outs, there will be no end to them. There will be no stopping the spread of subsidies ad infinitum. The only way for us to do is to meet that issue now, to nip it in the bud, to scotch it right now in the House of Representatives before the whole camel is under the tent and we are compelled to pay two or three billion dollars a year in subsidies, wrecking and ruining our farmers and our whole national economy. Payment of subsidies by the Government out of the Treasury to packers, processors, and wholesalers will promote inflation and not decrease it.

Mr. Speaker, I do not know what the conference committee will do, but I hope there is some way to get a clear-cut vote, an honest-to-God vote on whether we want these political handouts, special privilege, and Government subsidies, and give us an opportunity to vote them up or down. Of course, we will support any proposal for sufficient sums to carry out the program with respect to any commitments that have been made or any commitments that have been put into effect, but not 1 cent for future subsidies. That ought to be the issue. I do not know what it is going to be, whether we are going to try to evade it by some parliamentary procedure, but it seems to me that is the only thing for the Congress to vote on.

I would like to see the subsidies killed here this afternoon by a vote of the

Congress and not simply baby it along and have the President come in next year and say that he has made a lot more commitments and ask for a couple of billion more dollars.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Mississippi.

Mr. RANKIN. If Congress and the administration will raise the ceiling price of corn, wheat, cotton, and other agricultural commodities to their normal value compared with industrial prices and industrial wages, this whole problem will clear up and there will be no need for subsidies.

Mr. FISH. I do not think we need them anyway under any circumstances. I do not think they will help solve the problem.

Mr. RANKIN. You cannot meet the situation by holding the price of wheat and cotton and corn and other farm crops down below the cost of production.

Mr. FISH. I do not know much about the wheat situation, but is there any ceiling price on wheat or barley or oats? I do not think there is any ceiling price on any grain except corn and I agree with the gentleman from Mississippi that we ought to take the ceiling price off and let it establish its own level on the same basis as other grain. That is the viewpoint of the farmers in my district. They need and want corn now and not after they have been liquidated by New Deal regimentation price fixing and incompetent bureaucrats. I include several telegrams from farmers and feed dealers in my district that show the seriousness of the farm situation:

WALDEN, N. Y., July 6, 1943.

HON. HAMILTON FISH, Jr.,
Washington, D. C.:

It is necessary that Congress take immediate action to provide free movement of corn. Unless such action is taken there will be a marked curtailment of food production. Because of the low price ceiling manufacturers are unable to purchase corn. Unless this condition is corrected at once thousands of poultrymen and dairymen will be forced to liquidate their livestock. The feed situation is serious now and will be much worse unless immediate action is taken.

A. B. GARRISON.

POUGHKEEPSIE, N. Y., July 7, 1943.
Representative HAMILTON FISH,
Washington, D. C.:

As feed dealers we know grave situation confronting egg and milk producers. Corn ceilings must be removed or livestock will starve or be slaughtered.

CLAUDE SEARS,
Fishkillplains, N. Y.

PONEBUSH, N. Y., July 7, 1943.
Congressman HAMILTON FISH,
Washington, D. C.:

Only by removing corn price ceiling will manufacturers and other food processors be able to obtain supplies sufficient to prevent a serious food shortage. We emphasize that immediate congressional action is necessary to avoid chaos.

ELMER VAN KEURERN.

The SPEAKER. The time of the gentleman from New York has expired.

(Mr. MANSFIELD of Montana asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. JACKSON. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. GRANGER] may be permitted to extend his remarks in the RECORD and include therein a statement from the Bureau of Reclamation.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

DEVELOPING THE NATION'S WATER POWER

Mr. RANKIN. Mr. Speaker, it seems to me as if certain people in New York and New England were about to discover that area of the United States out where the West begins, as well as the agricultural South.

You are not going to relieve the present situation as long as you keep a millstone on the heads of the farmers of the United States. At the close of the last war when we had only \$53 per capita in circulation cotton went to 40 cents a pound, wheat to \$2.50 a bushel, and corn to \$1.75 a bushel. Today when we have more than \$125 per capita in circulation you have raised everybody's wages, everybody's prices except the man who produces the raw material.

Mr. MERRITT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. For a question only.

Mr. MERRITT. Does the gentleman know that since January 1941, average prices have increased 46 percent?

Mr. RANKIN. I know that everything that the farmer has had to buy has doubled.

Mr. MERRITT. Is it not also true—

Mr. RANKIN. Mr. Speaker, I cannot yield further.

The gentleman from New York is going to find out that wheat, corn, cotton, and farm products do not just produce themselves. He can join in this unholy combination to hold down the prices of farm products, but I will be darned if you can make the farmers produce them and bring them to you, especially when you have every gate guarded with a racketeer to keep us out or make them pay tribute before they can deliver them.

Mr. MERRITT. Mr. Speaker, will the gentleman yield further?

Mr. RANKIN. I am sorry, but I must decline to yield further.

Mr. MERRITT. The gentleman might learn something.

The SPEAKER. The gentleman from Mississippi declines to yield.

Mr. RANKIN. Mr. Speaker, what I want to say to the gentleman from Missouri [Mr. CANNON] is that this is a tem-

porary relief from flood conditions, it is probably justified and it will pass with practically no opposition, but it will not relieve such condition in the future. The only way I see to prevent these disastrous floods in the years to come is to do on other streams throughout the Nation just what we have done on the Tennessee River, and that is to pass the bill I have pending to establish regional authorities on every watershed in America.

You will then not only protect the lands from floods, you will not only conserve the soil, you will not only improve the navigation of every stream, but you will harness 230,000,000,000 kilowatt-hours of annual production of electricity that is now going to waste and which is considerably more than all the American people are using today. When that is harnessed and provided to the farmers, the people in the city and small towns, the small industries, and to the commercial enterprises of America at rates based upon the cost of generation, transmission, and distribution, then indeed America will come into her own.

Then you will not have these disastrous repetitions of floods and overflows, but these streams will be controlled as the Tennessee River is controlled today and as the Columbia River is today, and at the same time you will add more to the wealth of the Nation than anything else that has ever been done or that could be done at this time or in the future.

So I trust that this will be an example to those men who have opposed this program from now on to support us in our efforts to develop the greatest wealth America possesses at this time, except the soil from which we live, and that is that vast wealth of water power from the St. Lawrence to the Rio Grande, from the Columbia to the Savannah, that is now going to waste and that would add, as I said, untold billions of dollars to the wealth of the Nation and make it possible for a man to live or conduct an enterprise anywhere on American soil under pleasant and agreeable conditions.

It is the greatest piece of post-war development that lies within our reach and that is sound, reasonable, and necessary.

Mr. Speaker, I yield back the balance of my time.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Speaker, Congress, its aggregate knowledge gathered from every part of the United States, should and does have a fairly good idea of what the country needs.

The Commodity Credit bill, which the President vetoed, left some things undone. It did not, for instance, restore the historic 3-cent cattle price differential destroyed by O. P. A., which, if restored, would give you more beef and pork at less prices and would save the vast stores of food which, if frost comes early, will be wasted instead of going to you in the form of beef.

The bill did provide for more food. It also prevented the roll-backs, which it is already demonstrated are taking food out of our mouths. The President said in

his message he intends putting roll-backs on every single thing the worker needs—the same as saying he will diminish the supply of every single thing the worker needs.

The bill did stop further extension of subsidies. The subsidy plan forgives a few grocery dollars for the low fixed-income groups solicitously mentioned by the President. At the same time it throws on those same poor people, through increased taxes, the grocery bills of those well able to pay their bills, including the bills of millionaires who, the President said in his Ruml message, are already taxed to the limit.

The bill did prevent inflation from taking the form of a subsidy spiral instead of a less dangerous price spiral.

By killing that bill the President killed the Commodity Credit Corporation, the one agency vital to getting more food.

Congress knows that we are not producing all the food we can; therefore should produce more. Last war it was America which won the peace and saved the world from anarchy and bolshevism. With peace treaties, with a league of nations? No; with food—30,000,000 tons of it shipped from America to hungry Europeans, including enemy countries. The situation now is incomparably worse than then. Europe is hungrier. Bolshevism now has an effective political organization and a pseudo-democratic appeal called communism. This time starvation has extended across the world to the Orient, where Japs are effectively using the time we have lent them to stir up against us a billion orientals. They call it race hatred, but that hate stems mostly from the same physical need that makes a starving dog bite the hand that withholds food. America, cupboards jammed with food, did last time—could again—lure the world back to peace the way a horse hurries back to a hay-filled stable.

So Congress, having this high purpose, does not like to be thwarted through the President by the President's meddlesome cronies, who remind one of villainous characters from Charles Dickens' novels—Uriah Heep, the Murdstones, Mr. Micawber—too many Micawbers infest the White House, always promising that something besides trouble will turn up as a result of their ineptitude.

That veto message was a masterpiece of double talk. It talked that the President was against inflation. It also talked out of the other side of the mouth that he was for roll-backs and subsidies which we know are highly inflationary, and did you notice the threat it hung over the Congress? That pert message threatened that unless Congress permits the President to do these food-decreasing, inflation-increasing things he will do the most inflationary thing possible—start a general wage raising.

Congress knows this is no idle threat because the administration never has held the line against wage demands. On one pretext and another, including wage inequities, the administration has found excuses to raise the whole average since May last year until average hourly wage rates have risen 11.9 percent and

average weekly rates have risen 16.8 percent. This is the chief cause that the cost of living has risen 5.9 percent. Wage increases have already made it impossible for farmers to replace corn they are now holding at present ceiling prices and food mills are closing down.

It is shameful that the President's Rasputins play politics thus with inflation and human hunger. Since, however, professor politicians, rationalizing their mistakes in words of three syllables, make their abstruse fallacies sound as impressive as they are deceptive, they force Congress to go slowly. Congress must choose the less inflationary of the two evils conjured up by those who are cutting the food supply lines as effectively as any Nazi might wish.

Soon pigs will be slaughtered while still little, and, if there is an early frost, preventing corn harvest, foodstuffs that could be fed to cattle and hogs will be plowed under. We shall learn the hard way the practical rules of food production some economists do not understand. Perhaps when more meat platters are bare, it may become apparent that Congress, like Balaam's donkey, spoke the truth and did not deserve to be smitten.

(Miss SUMNER of Illinois asked and was given permission to revise and extend her own remarks.)

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, a great deal has been said on the floor of this House recently about the shortage of food as well as the scarcity of feed in the market for livestock. The situation is indeed serious. Now, Mr. Speaker, I want to invite your attention to controls that were put into effect not so long ago whereby farmers were penalized as much as 49 cents per bushel on their own wheat if they raised more than the amount of a quota that was fixed against them. They were not even allowed to feed their own so-called excess wheat to their livestock or poultry, except upon payment of a penalty of 49 cents per bushel on it. I opposed this policy all the way along the line.

Now, let us see what happened. The farmers in my State of Kansas in the year 1941 were penalized in the sum of \$5,194,822 for raising more wheat than the quota assigned them. Even in 1942, last year, the farmers of Kansas were penalized \$763,000. What was that penalty for? Nothing more than raising some extra wheat on his own land. Does not sound very good right now, does it? I do not have the figures for the other States, but am informed that the total for the country is about five times the above amounts.

So Kansas farmers were required to dig up \$6,000,000 because they saw fit to produce ten or twelve million bushels of wheat that we would not have had if they had complied with the quota.

I am informed that about \$2,000,000 of this money has been refunded to producers who put the money in escrow and held the wheat until the spring of 1943, provided, however, they could show to the satisfaction of the triple A of the Department of Agriculture they

had reduced their production equal in amount of the penalty wheat. In other words such farmer not only held the wheat, but was required to reduce his production.

The farmer who could not afford to hold his wheat or for reasons of his own did not see fit to do so paid the penalty and the Government officials refuse to refund it, whether he has reduced his acreage or not.

Mr. Speaker, the picture does not look so very good. Only a short time ago, producers were penalized for raising a little more food than a certain quota allowed. Now we talk about incentive payments to encourage farmers to grow more food.

Mr. Speaker, the money paid by the farmers and turned over to the Government for raising the extra food, ought as a matter of right be returned to them. I have tried to get the officials in the triple A to make the refunds. They claim they are not in position to do it. I introduced a bill in this House early this year to require it. The House Committee on Agriculture, to whom the legislation was referred, has failed up to this time to approve this measure or even act on it. I think, as a matter of right and justice, the bill should be passed. I believe if you will look into the matter, you will agree with me. Since the committee has failed to act, a petition has been placed on the Clerk's desk asking for the consideration of this bill by the House. If you agree with me that these farmers are entitled to a refund of their own money—it does not belong to the Treasury—then I suggest you sign the petition to bring the bill to the floor of this House for consideration and vote. Here is a chance to correct a mistake that should not have been made in the first place.

(Mr. REES of Kansas asked and was given permission to revise and extend his own remarks.)

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the amendment under consideration permits the administrative unit in charge to spend not exceeding 10 percent for administrative expenses. This is a very liberal amount and I hope it will be administered in such a way that most of the 10 percent can be turned back to the Treasury.

The amendment only permits the making of loans. The loans that can be made cannot in my opinion be very large because most of these people have had their necessities covered by local loans and by help from their neighbors. It was my understanding when this was put up that the administrative fund would be limited to 10 percent of the amount of money they used rather than 10 percent of the total. I hope that that rule will be followed by those who administer it so that there will not be such terrible waste.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. And the gentleman concurs in the intent of this amendment which only provides for loans and that the Secretary is expected to take security where there is livestock just as rehabilitation loans were provided?

Mr. TABER. Yes, and if he puts up money for a new barn he ought to take as security that barn.

Mr. WHITTINGTON. And he is authorized to do that under this bill?

Mr. TABER. Yes.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 13, line 6, insert "Department of Agriculture."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the various votes by which the motions were agreed to was laid on the table.

APPROPRIATIONS FOR WAR AGENCIES IN THE EXECUTIVE OFFICE—CONFERENCE REPORT

Mr. CANNON of Missouri filed the following conference report on the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 33 and 34 to the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes, having met, after full and free conference, have been unable to agree.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMETT O'NEAL,
LOUIS C. RABAUT,
JOHN TABOR,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

KENNETH MCKELLAR,
CARTER GLASS,
CARL HAYDEN,
GERALD P. NYE,
RUFUS C. HOLMAN,

Managers on the part of the Senate.

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 2968) making appropriations for war agencies in the Executive Office of the President for the fiscal year ending June 30, 1944, and for other purposes.

The Clerk read the conference report.

CALL OF THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 137]

Allen, La.	Gillie	Murray, Wis.
Andrews	Gordon	Norman
Baldwin, Md.	Gore	Norton
Baldwin, N. Y.	Gorski	O'Brien, Ill.
Barden	Granger	O'Connor
Bender	Grant, Ind.	O'Hara
Bland	Green	O'Konski
Bradley, Mich.	Gross	O'Leary
Cannon, Fla.	Hale	Pfeifer
Capozzoli	Hall	Phillips
Cochran	Edwin Arthur	Plumley
Costello	Hébert	Poage
Culkin	Hill	Randolph
Curley	Holifield	Reed, Ill.
Dawson	Izac	Rivers
Day	Johnson, Ward	Russell
Delaney	Keefe	Sauthoff
Dies	Kefauver	Smith, W. Va.
Ditter	Keogh	Summers, Tex.
Domenegeaux	Kilburn	Talbot
Douglas	Kilday	Tarver
Drewry	King	Taylor
Ellsworth	Larcade	Tolan
Elmer	McCord	Treadway
Fay	McCormack	Troutman
Fellows	Magnuson	Van Zandt
Fernandez	Maloney	Vinson, Ga.
Fitzpatrick	Manasco	Wadsworth
Ford	Mansfield, Tex.	Weaver
Fulbright	May	Welch
Fulmer	Morrison, La.	White
Gallagher	Morrison, N. C.	Woodruff, Mich.
Gifford	Mott	
Gilchrist	Mundt	

The SPEAKER. On this roll call 331 Members have answered to their names, a quorum.

Further proceedings, under the call, were dispensed with.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the reports of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to a bill and joint resolution of the House of the following titles:

H. R. 647. An act to provide for the establishment of the George Washington Carver National Monument, and

H. J. Res. 147. Joint resolution to continue the Commodity Credit Corporation as an agency of the United States, to increase its borrowing power, and for other purposes.

APPROPRIATIONS FOR WAR AGENCIES IN THE EXECUTIVE OFFICE—CONFERENCE REPORT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 33: On page 43, line 13, insert the following:

"Sec. 203. No part of any appropriation contained in this Act shall be available to pay the salary of any person at the rate of \$4,500 per annum or more unless such person shall have been appointed by the President by and with the advice and consent of the Senate."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House adhere to its disagreement to the Senate amendment.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House adhere to its disagreement to the amendment of the Senate numbered 33.

Mr. CANNON of Missouri. Mr. Speaker, only two appropriation bills remain in disagreement, the War Agencies bill and the Labor-Federal Security bill. By a singular coincidence, only one amendment is in disagreement on either bill, and both relate to the same subject matter, the confirmation of certain employees by the Senate.

We have an understanding with the managers on the part of the Senate that they will abide by the action taken by the House here today. If the House votes to adhere on this amendment, the Senate conferees have agreed to recede. If, on the other hand, the House refuses to adhere, the managers on the part of the House will be in a position where it will be necessary for them to yield.

This is the final showdown on a long and much-disputed issue, as the managers on the part of the Senate have also agreed that on the Labor-Federal Security appropriation bill they will abide by the action of the House on this amendment to the War Agencies bill. So we are deciding here the only point remaining at variance between the two Houses on the two bills. When we vote on this amendment and on the motion to adhere we shall have made final disposition of all appropriation bills for the session.

I understand the gentleman from New York [Mr. TABER] has a preferential motion he desires to offer.

Mr. TABER. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. TABER moves to recede and concur with an amendment as follows: "In lieu of the matter inserted by the Senate insert the following:

"No part of any appropriation contained in this act for any agency other than that of the Office of Strategic Services shall be available to pay the salary of any person at the rate of \$5,500 per annum or more, appointed after June 30, 1943, unless such person shall have been appointed by the President by and with the advice and consent of the Senate: *Provided*, That those appointed between June 30, 1943, and November 1, 1943, may hold office until the latter date unless sooner than that the Senate shall have refused to give its advice and consent as to any such appointee."

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from New York.

Mr. Speaker, will the gentleman yield?

Mr. TABER. Certainly.

Mr. CANNON of Missouri. Will the gentleman indicate the difference between the amendment he has just submitted to the House and the amendment as printed in this morning's papers?

Mr. TABER. Yes; the difference is that after the word "act" I have in-

sented an exception which leaves out of the operation of the amendment the Office of Strategic Services. This is an agency that has engaged in work for this Government about which we should not do too much advertising. Therefore, I have left it out of the operation of this amendment.

Mr. Speaker, we are facing in these last hours of Congress before a possible recess a disagreement with the Senate with reference to the so-called McKellar amendment. Frankly, the McKellar amendment as it is in the bill is not workable because it would apply immediately and would throw off the pay roll everyone who draws \$4,500 a year or above until they were confirmed by the Senate. I have drawn this amendment so that confirmation is required by the Senate only where an employee receives \$5,500 or more, and those are practically all of the policy-making employees, and where they are appointed after the 30th of last June, and I have in this amendment given such appointees the right to stay on the roll until the Senate shall act upon confirmation, not later than November 1, 1943. This will permit these agencies to function.

The employees drawing \$5,500 or more are, as near as I can estimate, about 12,000 in number altogether in these agencies. Assuming a turn-over of approximately 20 percent this would cover confirmation of perhaps 200 employees a month. The Senate is accustomed to confirming the ensigns and all other officers above that grade in the Regular Navy and second lieutenants and all officers above that grade in the Regular Army, so this is not an impossible task to cover.

The object of this amendment and the object of Senate confirmation at the present time is to see that the civil service in this country is cleaned up. At the present time the agencies of government have been filled up with appointments of the type that Harry Hopkins, Benny Cohen, and David K. Niles have dictated. It is about time we began to clean up the civil service of the United States. I do not think we ought to have to do this, but our Civil Service Commission, with that agency which has been functioning as a board of law examiners, has not fulfilled its obligation of seeing that we have desirable employees in the Government.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. TABER. I do not like to interfere with the regular operations of the Government, but that civil service of ours has gone to such a low estate that we have on the lists people who are not primarily interested in our winning the war. A great many of these agencies are terribly afflicted by the situation, having on their rolls an enormous number, thousands of people, who ought not to be there. I am hopeful that we can try this thing out and see if the Senate will not make of our Government a better Government and provide us with a better civil service.

We have tried this out for a year upon the Manpower Commission. Commissioner McNutt complained when he was before us that the Senate had not confirmed many of those who had been appointed to his Commission.

A list of those whom the Senate had failed to confirm was placed in the record of the hearings before the Appropriations Committee. One cannot examine those hearings without coming to the conclusion that the Senate had done right in protecting our civil service by failing to confirm those people.

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOODRUM of Virginia. I know the gentleman is interested in improving the civil service and he has expressed some concern about it. I wonder if he has given thought to the effect of this amendment? Every employee, if and when he is appointed to a position of \$5,500 in the Government service, must have the approval of the United States Senate. Under those circumstances, every employee in a civil-service position from the time he starts at the bottom until he gets ready to go to the \$5,500 class is constantly reminded that the sword of the Senate is hanging over his head, if he should, perforce, offend the Senators of the United States. Does the gentleman think that is going to help the morale or help the building up of the civil service?

Mr. TABER. I do not believe the Senate of the United States is going to prevent a man from doing a decent job just to get their approval. I believe that the Senate of the United States will meet its responsibility face to face and honestly pass on these nominees of the President and other executives for these positions. I do not believe there will be any cloud upon our people. I do not believe that cloud will be half as bad as the cloud that is there now, of absolute subservience to a great many of these people who have destroyed the morale of our Government.

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. TABER. I yield.

Mr. WIGGLESWORTH. Is it not a fact that the amendment offered by the gentleman from New York is limited solely to the agencies covered in this bill, and from that list he has specifically excepted the O. S. S.?

Mr. TABER. That is correct.

Mr. WOODRUM of Virginia. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. WOODRUM of Virginia. But it is a fact that as far as employees in this bill that this amendment covers, it absolutely removes everybody from under civil service and puts them under patronage when they get \$5,500?

Mr. TABER. It does not. They cannot be removed from the requirement that they should have a civil-service status and pass the examinations that are required. It simply means that the Civil Service Commission must see that these men whom they are recommending must be loyal to the United States.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL. Mr. Speaker, it is not difficult to understand why the Senate would like to extend its power of confirmation. The more to be confirmed by the Senate, the greater the power of the Senators and the stronger the control of the Senators in their own States, and the stature of the House of Representatives, in my opinion, sinks in the same proportion.

It is rather interesting to note that of all matters we have had in conference, and there have been many important ones, the most uncompromising attitude on any amendment has been to secure this additional power for the Senate. The newspapers of the country have condemned it almost universally, and it is apparent why that has been done. Of course, the Senators are interested in better government. I am not questioning that; but this gives them tremendous patronage. It is unfair to a bureau head to make him and his staff subject to the will of some Senator.

With reference to the amendment offered by the gentleman from New York [Mr. TABER], I would like to show one place where it is directly in contravention of the Constitution of the United States. The gentleman says those appointed after June 30 and before November 1 shall hold office until November 1, but the Constitution says the President shall have the power to fill all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of the next session. In other words, the gentleman from New York says they may not hold office beyond November 1, and the Constitution says they shall hold office until the end of the session.

Mr. TABER. Will the gentleman yield?

Mr. O'NEAL. I yield.

Mr. TABER. There will be no opportunity for a recess appointment between June 30 and the 1st day of November.

Mr. O'NEAL. That remains to be seen. The gentleman's amendment says it shall expire November 1, and the Constitution says the end of the session.

Now, do you realize what you are doing? It was never contemplated to give the Senate that power in the beginning. But since 1937 there has been a constant effort on the part of the other body to be able to say "yes" or "no" on the appointment of these Government officials. In 1937 they passed the first bill that required confirmation by the Senate, based upon a salary of \$7,500. In the Justice Department bill a year ago they put in another amendment that all those drawing over \$7,500 must be confirmed by the Senate. In the manpower bill they dropped it to \$4,500. Now, in this bill, under the Taber amendment, they would like to make it \$5,500. What a confused mess all of this would be. How unworkable it would be—all of these various provisions under civil service.

[PUBLIC LAW 140—78TH CONGRESS]

[CHAPTER 229—1ST SESSION]

[H. R. 3030]

AN ACT

Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes:

TITLE I—GENERAL APPROPRIATIONS

LEGISLATIVE

HOUSE OF REPRESENTATIVES

For payment to the widow of Harry L. Englebright, late a Representative from the State of California, \$10,000.

For payment to the widow of U. S. Guyer, late a Representative from the State of Kansas, \$10,000.

The two foregoing amounts to be disbursed by the Sergeant at Arms of the House.

COMMITTEE ON FEDERAL EXPENDITURES

For an amount, which is hereby authorized, to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, \$10,000; to enable the committee to perform the additional duties required of it by section 204 of the Treasury and Post Office Departments Appropriation Act, 1944, approved June 30, 1943, \$10,000, in all, \$20,000, one-half to be disbursed by the Secretary of the Senate and the other half by the Clerk of the House on vouchers approved by the chairman of the committee.

ARCHITECT OF THE CAPITOL

Capitol Buildings and Grounds: The unexpended balance on June 30, 1943, of the allocation of \$39,240 made available immediately under the appropriation for the Capitol Grounds, contained in the Legislative Branch Appropriation Act, 1943, is hereby continued available for the same purposes until June 30, 1944.

GOVERNMENT PRINTING OFFICE

Working capital and congressional printing and binding: For an additional amount for working capital and congressional printing and binding, fiscal year 1944, \$17,000,000: *Provided*, That this amount shall be returned to the Treasury as an unexpended balance not later than twelve months after the close of the fiscal year 1944.

Working capital and congressional printing and binding, 1943: The amount available for the printing, binding, and distribution of the Federal Register is hereby increased to \$130,000 for the fiscal year 1943: *Provided*, That no increase is thereby made in the existing appropriation for working capital and congressional printing and binding.

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL RESOURCES PLANNING BOARD

For an additional amount for salaries and expenses, fiscal year 1944, including the objects and under the conditions specified under this head in the Independent Offices Appropriation Act, 1944, \$29,500 to be merged with the amount in such Act; and of such consolidated sum not less than \$42,500 shall be allocated exclusively for the payment of accumulated and accrued annual leave of employees due them after June 30, 1943, and not more than \$37,000 shall be available for all other salaries and expenses.

OFFICE OF PRICE ADMINISTRATION

The eighth proviso in the paragraph under the caption "Office of Price Administration", contained in the National War Agencies Appropriation Act, 1944, shall not take effect until August 16, 1943.

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF WAR INFORMATION

The second paragraph under the caption "Office of War Information", contained in the National War Agencies Appropriation Act, 1944, shall not prevent the preparation and distribution to the public of the United States Government Manual.

WAR MANPOWER COMMISSION

National Youth Administration: For an additional amount for the National Youth Administration in the performance of its functions from July 1, 1943, to the date of enactment of the Labor-Federal Security Appropriation Act, 1944, and thereafter for the liquidation of such Administration, including not to exceed \$2,000 for printing and binding, not to exceed \$1,500,000 from the unexpended balance of the appropriations for the National Youth Administration in the Labor-Federal Security Appropriation Act, 1943, to be added to and merged with the funds made available for the liquidation of the

National Youth Administration by such Labor-Federal Security Appropriation Act, 1944; and of such merged amount not less than \$1,487,000 shall be allocated and set apart to be used exclusively for payment of accumulated and accrued leave of employees: *Provided*, That all real and personal property of the National Youth Administration is hereby declared surplus, and all equipment, materials, and supplies shall be assembled, inventoried, and turned over to the Director of Procurement, Treasury Department, under Executive Order 9235 by the Administrator of the National Youth Administration as expeditiously as possible, and all real property shall be disposed of by the Commissioner of Public Buildings in accordance with the Act of August 27, 1935 (40 U. S. C. 304 (a) and 304 (b)): *Provided further*, That, under commitment to return such property to the United States at borrower's expense, any real or personal property of the National Youth Administration in use on June 30, 1943, by any non-Federal vocational education authority within any State may continue to be so used during the period of the present war and for not to exceed six months after the termination thereof, without compensation, but in no event beyond the date such property ceases to be used for vocational education purposes: *Provided further*, That during such period, the Director of Procurement, in the case of personal property, and the Commissioner of Public Buildings, in the case of real property, upon certificate of the United States Commissioner of Education that such property is to be used for vocational education and training, may loan, without compensation, to any such existing non-Federal vocational education authority, if applied for within ninety days after the date of enactment of this Act, any real or personal property of the National Youth Administration not required by any other Federal Agency (excepting the Lend-Lease Administration) or otherwise loaned under the authority of this paragraph, if such borrower agrees, in the case of personal property, to pay all expenses incident to obtaining and returning such property.

INDEPENDENT EXECUTIVE AGENCIES

CIVIL SERVICE COMMISSION

Salaries and expenses, Civil Service Commission (national defense): For an additional amount for salaries and expenses, Civil Service Commission, national defense, fiscal year 1944, including the objects specified under this head in the Independent Offices Appropriation Act, 1944, \$325,000.

EMPLOYEES' COMPENSATION COMMISSION

Employees' compensation fund: For an additional amount, fiscal year 1943, for the payment of compensation provided by the Act of September 7, 1916 (5 U. S. C. 785), as amended, including the objects specified under this head in the Employees' Compensation Commission Appropriation Act, 1943, \$500,000.

FEDERAL WORKS AGENCY

War public works (community facilities): For an additional amount to enable the Federal Works Administrator to carry out the

functions vested in him by titles II and III of the Act of October 14, 1940, as amended (42 U. S. C. 1531-1534, and 1541), \$50,000,000, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941, of which amount not to exceed \$2,250,000 shall be available for administrative expenses, including the objects specified under the head "Defense public works (community facilities)" in the Second Deficiency Appropriation Act, 1941, and the joint resolution approved December 23, 1941 (Public Law 371): *Provided*, That the amount appropriated in this paragraph shall not be available for obligation until the enactment of the bill (H. R. 2936 of the Seventy-eighth Congress) entitled "An Act to authorize the appropriation of an additional \$200,000,000 to carry out the provisions of title II of the Act entitled 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended."

Public Roads Administration, Inter-American Highway (Costa Rica): For surveys and construction of the Inter-American Highway (provided for by the Act of December 26, 1941 (Public Law 375), but without regard to the provisions thereof), within the borders of the Republic of Costa Rica between Cartago and San Isidro del General, and necessary expenses incident thereto, without regard to section 3709, Revised Statutes, \$12,000,000, to remain available until expended.

Work Projects Administration liquidation: Not to exceed \$1,065,000, out of balances of appropriations under section 1 (a) of the Emergency Relief Appropriation Act, fiscal year 1943, which remain unobligated on June 30, 1943, is hereby made available to the Administrator, Federal Works Agency, during the fiscal year 1944 for all necessary expenses for the liquidation of the Work Projects Administration, including personal services and rents in the District of Columbia and elsewhere; printing and binding; operation and maintenance of motor-propelled passenger-carrying vehicles; and not less than \$583,632 of such sum shall be allocated exclusively for payment for accumulated and current accrued leave of employees separated from the Government service due to the discontinuance of the Work Projects Administration: *Provided*, That employees of the Work Projects Administration in leave status and in active duty status on June 30, 1943, may, in the discretion of the Administrator, be transferred to and paid from this appropriation without the necessity of further appointment.

In carrying out the liquidation of the activities under the Emergency Relief Appropriation Acts, fiscal years 1942 and 1943, accounts shall be maintained without regard to the limitations established by said Acts and without regard to project allocations: *Provided*, That the appropriations established and extended for the completion of Federal construction projects under the provisions of the Emergency Relief Appropriation Act, fiscal year 1943, shall be liquidated and accounted for as one fund: *Provided further*, That all credits subsequent to June 30, 1943, representing repayments or recoveries on account of funds disbursed out of amounts allocated or made available pursuant to any of the provisions of law referred to in this paragraph, shall be covered into the Treasury as miscellaneous receipts, together with such balances as the Administrator may from

time to time determine to be no longer required to meet obligations.

The provisions of section 501 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941, shall be applicable to appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, and there shall be transferred to the "Emergency relief liquidation fund" from appropriations under the Emergency Relief Appropriation Act, fiscal year 1941, sufficient amounts to meet unliquidated obligations incurred thereunder: *Provided*, That claims certified for payment by the Comptroller General of the United States, chargeable to the "Emergency relief liquidation fund", shall be paid without regard to project allocations.

The Federal Works Administrator, or his designee for such purpose, is authorized to consider, ascertain, adjust, determine, and pay from the foregoing appropriation any claim on account of damage to or loss of privately owned property caused by the negligence of any employee of the Works Progress Administration or the Work Projects Administration while acting within the scope of his employment. No claim shall be considered hereunder which is in excess of \$500, or which is not presented in writing within one year from the date of accrual thereof. Acceptance by a claimant of the amount allowed on account of his claim shall be deemed to be in full settlement thereof, and the action upon such claim so accepted by the claimant shall be conclusive.

Work relief in Puerto Rico and the Virgin Islands: To enable the Federal Works Administrator to carry out the provisions of the joint resolution (H. J. Res. 128) entitled "Joint resolution to authorize an appropriation for work relief in Puerto Rico and the Virgin Islands", approved June 22, 1943, during the period beginning July 1, 1943, and ending November 30, 1943, \$7,000,000, of which not to exceed \$350,000 shall be available for administrative expenses, including the items of expenditure specified in section 14 of the Emergency Relief Appropriation Act, fiscal year 1943: *Provided*, That employees of the Work Projects Administration in active duty status on June 30, 1943, may, in the discretion of the Federal Works Administrator, be transferred to and paid from this appropriation without the necessity of further appointment.

NATIONAL HOUSING AGENCY

War housing: For an additional amount to carry out the purposes of title I of the Act of October 14, 1940 (42 U. S. C., ch. 9), as amended, and subject to the applicable provisions of the joint resolution approved October 14, 1940 (54 Stat. 1115), \$100,000,000, to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941: *Provided*, That the amount appropriated in this paragraph shall not be available for obligation until the date of enactment of legislation authorizing the appropriation of such additional funds.

Not exceeding \$7,000,000 of the unexpended balance of the appropriation made available until June 30, 1943, under the heading "Emergency fund for the President, defense housing", contained in the Third Supplemental National Defense Appropriation Act, 1942, is continued available until June 30, 1944.

DISTRICT OF COLUMBIA

PUBLIC WELFARE

Saint Elizabeths Hospital: For an additional amount for support of indigent insane of the District of Columbia in Saint Elizabeths Hospital, as provided by law, fiscal year 1943, \$68,000.

JUDGMENTS

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in Senate Document Numbered 90, together with such further sum as may be necessary to pay the interest at not exceeding 4 per centum per annum on such judgments, as provided by law, from the date the same became due until the date of payment, \$2,916.86.

DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Acts for the respective fiscal years for which such sums are provided.

DEPARTMENT OF AGRICULTURE

In order to provide assistance to farmers whose property was destroyed or damaged, in whole or in part, by floods in 1913, the Secretary of Agriculture is authorized to utilize the facilities of any existing agency or bureau to provide assistance to any such farmer by loans, in such manner and upon such terms and conditions as the Secretary of Agriculture may prescribe, for the purpose of aiding such farmer to continue farming operations in order to produce for the war effort, including personal services in the District of Columbia and elsewhere, printing and binding, travel, and other miscellaneous and incidental expenses, fiscal year 1944, \$15,000,000: *Provided*, That not more than ten per centum of the foregoing amount shall be used for administrative expenses.

NAVY DEPARTMENT

OFFICE OF THE SECRETARY

Claims for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the Act entitled "An Act to amend the Act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels", approved December 28, 1922, as fully set forth in Senate Document Numbered 82, and House Document Numbered 230, Seventy-eighth Congress, \$19,605.37.

COAST GUARD

Claims for damages, operation of vessels, Coast Guard: To pay claims for damages adjusted and determined by the Secretary of the

Navy under the provisions of the Act entitled "An Act to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and the Public Health Service, in sums not exceeding \$3,000 in any one case", approved June 15, 1936, as fully set forth in Senate Document Numbered 81, and House Document Numbered 226, Seventy-eighth Congress, \$1,025.58.

POST OFFICE DEPARTMENT

(OUT OF THE POSTAL REVENUES)

FIELD SERVICE

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For an additional amount for compensation to postmasters, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$1,875,000.

Clerks, first- and second-class post offices: For an additional amount for compensation to clerks and employees at first- and second-class post offices, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$11,750,000.

Special-delivery fees: For an additional amount for fees to special-delivery messengers, fiscal year 1943, \$1,100,000.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star Route Service: For an additional amount for inland transportation by star routes (excepting service in Alaska), including temporary service to newly established post offices, fiscal year 1943, \$1,100,000.

Railroad transportation and mail-messenger service: For an additional amount for inland transportation by railroad routes and for mail-messenger service, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$4,500,000.

Railway postal clerks, travel allowance: For an additional amount for travel allowance to railway postal clerks and substitute railway postal clerks, fiscal year 1943, \$29,000.

Railway Mail Service, traveling expenses: For an additional amount for Railway Mail Service, traveling expenses, fiscal year 1943, \$2,500.

Railway Mail Service, miscellaneous expenses: For an additional amount for miscellaneous expenses, Railway Mail Service, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$3,500.

Electric-car service: For an additional amount for electric-car service, fiscal year 1943, \$23,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Manufacture and distribution of stamps and stamped paper: For an additional amount for the manufacture and distribution of stamps

and stamped paper, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$200,000.

Unpaid money orders more than one year old: For an additional amount for payment of domestic money orders more than one year old from the last day of the month of issue of such orders, fiscal year 1943, \$35,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Vehicle service: For an additional amount for vehicle service, fiscal year 1943, including the objects specified under this head in the Post Office Department Appropriation Act, 1943, \$508,195.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

To enable the Secretary of the Treasury, in accordance with the provisions of section 3 of the joint resolution approved May 3, 1943 (Public Law 48), to pay to the Republic of Panama an amount equivalent to the principal and interest paid by that Government on account of the credit of \$2,500,000 made available to it by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato Highway, and to pay to the Export-Import Bank an amount sufficient to liquidate the remaining obligation of the Republic of Panama to that bank on account of the aforesaid credit, fiscal years 1943 and 1944, \$2,700,000.

BUREAU OF ACCOUNTS

Salaries and expenses, deposit of withheld taxes: For all necessary expenses, fiscal year 1944, incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943, including personal services in the District of Columbia and elsewhere; not to exceed \$113,000 for printing and binding; and reimbursement to Federal Reserve banks for printing and other necessary expenses, \$800,000.

PROCUREMENT DIVISION

Emergency relief, Treasury Procurement Division, administrative expenses: For administrative expenses of the Procurement Division, fiscal year 1944, to effect the liquidation of the operations of said Division incident to the emergency relief program, \$137,500.

Federal property utilization: For necessary expenses of the Procurement Division in connection with the transportation, handling, warehousing, safeguarding, rehabilitating, transferring to Government agencies, and otherwise disposing of supplies and equipment, including personal services in the District of Columbia and elsewhere, stationery (not to exceed \$35,000), purchase (including exchange) of books of reference and periodicals, printing and binding (not to exceed \$12,000), and advertising, fiscal year 1944, \$3,250,000.

WAR DEPARTMENT

CIVIL FUNCTIONS

CORPS OF ENGINEERS

Rivers and harbors: For the preservation and maintenance of existing river and harbor works, and for the prosecution of projects heretofore authorized, including the objects and purposes and subject to the conditions specified under this head in the War Department Civil Appropriation Act, 1944, to be available until expended and to be allocated to the Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Texas, \$7,095,000.

Flood control, general: For the prosecution of a dam and reservoir project on Mosquito Creek, Ohio, authorized by the Acts of June 28, 1938, and August 18, 1941, \$4,385,000.

Flood control, general (emergency fund): For the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by the recent floods, in accordance with the first section of the Act entitled "An Act to provide for emergency flood-control work made necessary by recent floods, and for other purposes" (S. 1134, Seventy-eighth Congress), \$10,000,000, to remain available until expended.

UNITED STATES SOLDIERS' HOME

For an additional amount for the maintenance and operation of the United States Soldiers' Home for the fiscal year 1944, to be paid from the Soldiers' Home Permanent Fund (Trust Fund), \$80,820.

GENERAL PROVISION

Appropriations for the Military Establishment and for civil functions administered by the War Department for the fiscal year 1944 may be used for carrying into effect the Act entitled "An Act to provide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities, of the War Department or of the Army" approved July 3, 1943 (Public Law 112, 78th Congress).

TITLE II—JUDGMENTS AND AUTHORIZED CLAIMS

PROPERTY DAMAGE CLAIMS

SEC. 201. (a) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent offices, under the provisions of the Act entitled "An Act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding \$1,000 in any one case", approved December 28, 1922 (31 U. S. C. 215), as fully set forth in House Document Numbered 233, Seventy-eighth Congress, as follows:

Executive Office of the President:

Office for Emergency Management, War Relocation Authority,
\$73.51;

Petroleum Administration for War, \$34.10;

Federal Security Agency, \$294.44;

Federal Works Agency, \$1,972.28;

National Advisory Committee for Aeronautics, \$245.78;

Veterans' Administration, \$310.33;

Department of Agriculture, \$1,869.44;

Department of Commerce, \$517.29;

Department of the Interior, \$880.57;

Department of Justice, \$626.28;

Navy Department, \$9,361.14;

Treasury Department, \$480.97;

War Department, \$54,450.08;

In all, \$71,116.21.

(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent offices, under the provisions of the Act entitled "An Act to provide a method for the settlement of claims arising against the Government of the United States in the sum not exceeding \$1,000 in any one case", approved December 28, 1922 (31 U. S. C. 215), as fully set forth in Senate Document Numbered 83, Seventy-eighth Congress, as follows:

Federal Works Agency, \$2,313.67;

Department of Agriculture, \$92.40;

Department of Commerce, \$97.78;

Navy Department, \$3,651.10;

In all, \$6,154.95.

JUDGMENTS, UNITED STATES COURTS

SEC. 202. (a) For the payment of the final judgments, including costs of suits, which have been rendered under the provisions of the Act of March 3, 1887, entitled "An Act to provide for the bringing of suits against the Government of the United States", as amended by section 297 of the Act of March 3, 1911 (28 U. S. C. 761), and which have been certified to the Seventy-eighth Congress in House Document Numbered 225 under the following agencies:

Federal Works Agency (Work Projects Administration), \$2,256.91;

War Department, \$9,068.35;

In all, \$11,325.26, together with such additional sum as may be necessary to pay costs and interest as specified in such judgments or as provided by law.

(b) For the payment of judgments, including cost of suits, rendered against the Government of the United States by United States district courts under the provisions of an Act entitled "An Act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (46 U. S. C. 781-789), and which was certified to the Seventy-eighth Congress in Senate Document Numbered 80 under the Navy Department, \$6,688.72, together with such additional sum as may be

necessary to pay costs and interest as and where specified in such judgments or as provided by law.

(c) For payment of the judgments rendered against the United States by the United States District Court for the Western District of North Carolina, Charlotte Division, pursuant to the law entitled "Conferring jurisdiction upon the United States District Court for the Western District of North Carolina to hear, determine, and render judgments upon the claims against the United States of I. M. Cook, J. J. Allen, Radiator Specialty Company, and the R. and W. Motor Lines, Incorporated", approved October 14, 1941 (55 Stat. 958), and certified to the Seventy-eighth Congress in Senate Document Numbered 78 under the Federal Works Agency, Work Projects Administration, \$19,864.80, together with such additional sum as may be necessary to pay costs and interest as and where specified in such judgments or as provided by law.

(d) None of the judgments contained under this caption shall be paid until the right of appeal shall have expired except such as have become final and conclusive against the United States by failure of the parties to appeal or otherwise.

(e) Payment of interest wherever provided for judgments contained in this Act shall not in any case continue for more than thirty days after the date of approval of this Act.

JUDGMENTS, UNITED STATES COURT OF CLAIMS

SEC. 203. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-eighth Congress in Senate Document Numbered 79 and House Document Numbered 229, under the following agencies, namely:

Federal Works Agency:

Public Buildings Administration, \$100,393.28;

Work Projects Administration, \$11,089.72;

National Housing Agency: Federal Public Housing Authority, \$4,500;

Veterans' Administration, \$1,293.13;

Department of Commerce, \$1,409.04;

Department of the Interior (civil), \$12,780.52;

Department of Justice, \$369.47;

Navy Department, \$2,828.58;

Post Office Department, \$364,423.43;

Treasury Department, \$71,986.31;

War Department, \$147,991.38;

In all, \$719,064.86, together with such additional sum as may be necessary to pay interest or costs as and where specified in such judgments.

(b) For the payment of judgment numbered 45047, rendered by the Court of Claims in favor of Herman E. Osann covering a claim under the Exchange Relief Act of March 26, 1934, as certified to the Seventy-eighth Congress in House Document Numbered 228, \$3,784.64, to be paid from the administrative expense fund, Office of Alien Property Custodian.

(c) None of the judgments contained under this caption shall be paid until the right of appeal shall have expired, except such as have

become final and conclusive against the United States by failure of the parties to appeal or otherwise.

AUDITED CLAIMS

SEC. 204. (a) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1940 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the Act of July 7, 1884 (5 U. S. C. 266), as fully set forth in House Document Numbered 232, Seventy-eighth Congress, there is appropriated as follows:

The Judiciary: For fees of jurors and witnesses, United States courts, \$111.40.

For fees of commissioners, United States courts, \$256.79.

For miscellaneous expenses, United States courts, \$6.43.

For fees and expenses of conciliation commissioners, United States courts, \$100.

Independent Offices: For American Battle Monuments Commission, \$2.73.

For salaries and expenses, Railroad Retirement Board, \$13.10.

For Securities and Exchange Commission, \$17.10.

For Saint Elizabeths Hospital, 78 cents.

For salaries and expenses, vocational rehabilitation, Office of Education, \$2.

For National Industrial Recovery, Federal Emergency Administration of Public Works, \$25.15.

For operating supplies for public buildings, Public Buildings Administration, 82 cents.

For general administrative expenses, Public Buildings Branch, Procurement Division, \$2.50.

For general administrative expenses, Public Buildings Administration, \$1.50.

For repair, preservation, and equipment, public buildings, Procurement Division, \$256.36.

For repair, preservation, and equipment, Public Buildings Administration, \$208.

For administrative expenses, Federal Housing Administration, \$7.10.

For administrative expenses, United States Housing Authority, Federal Public Housing Authority, \$24.87.

For salaries and expenses, Veterans' Administration, \$1,311.71.

For salaries and expenses, Veterans' Bureau, \$5.20.

For salaries and expenses, Bureau of War Risk Insurance, \$4.20.

Department of Agriculture: For salaries and expenses, library, Department of Agriculture, \$38.37.

For salaries and expenses, Bureau of Animal Industry, \$381.80.

For salaries and expenses, Soil Conservation Service, \$4,038.50.

For salaries and expenses, Forest Service, \$2.26.

For salaries and expenses, Agricultural Marketing Service, \$42.08.

For National Industrial Recovery, Resettlement Administration, submarginal lands (transfer to Agriculture), \$4.

For development of water facilities, arid and semiarid areas, Department of Agriculture, \$8.12.

For acquisition of lands for protection of watersheds of navigable streams, \$356.

For control of emergency outbreaks of insect pests and plant diseases, \$610.37.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture, \$45.49.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation), \$732.39.

For retirement of cotton pool participation trust certificates, Department of Agriculture, \$5.31.

For administration of Sugar Act of 1937, Department of Agriculture, \$40.75.

For conservation and use of agricultural land resources, Department of Agriculture, \$7,063.97.

For farm tenancy, Department of Agriculture, \$1,348.80.

For submarginal land program, Farm Tenant Act, Department of Agriculture, \$1.695.

For land utilization and retirement of submarginal land, Department of Agriculture, \$871.60.

For liquidation and management of resettlement projects, Department of Agriculture, \$5.20.

For salaries and expenses, Farm Credit Administration, \$2.50.

For salaries and expenses, Farm Credit Administration, Department of Agriculture, 75 cents.

For farmers' crop production and harvesting loans, Farm Credit Administration, \$21.57.

For loans to farmers in drought- and storm-stricken areas, emergency relief, \$32.26.

For New England hurricane damage, Forest Service, \$8.82.

Department of Commerce: For establishment of air-navigation facilities, Civil Aeronautics Authority, \$16,137.41.

For salaries and expenses, Civil Aeronautics Authority, \$2,308.78.

For maintenance of air-navigation facilities, Civil Aeronautics Authority, \$1.

For salaries and expenses, Weather Bureau, \$134.64.

For traveling expenses, Department of Commerce, \$1.35.

Department of the Interior: For Geological Survey, \$1.12.

For investigation of domestic sources of mineral supply, Bureau of Mines, \$78.70.

For migratory bird conservation fund, Department of the Interior (receipt limitation), \$1,433.06.

For salaries and expenses, Bureau of Biological Survey, \$2.12.

For National Industrial Recovery, Interior, National Park Service, recreational demonstration projects, \$3.85.

For agriculture and stock raising among Indians, \$52.88.

For improvement of land records, Indian Service, \$1,871.52.

For Indian boarding schools, \$116.07.

For Indian school support, \$11.46.

For purchase and transportation of Indian supplies, \$3.01.

For conservation of health among Indians, \$81.29.

For emergency conservation fund (transfer from War to Interior, Indians, Act June 19, 1934), \$254.07.

For Civilian Conservation Corps (transfer to Interior, Indians), \$64.26.

Department of Justice: For contingent expenses, Department of Justice, \$21.63.

For Federal jails and correctional institutions, maintenance, \$3.33.

For fees of witnesses, Department of Justice, \$83.20.

For miscellaneous expenses, United States courts (transfer to Justice), \$222.03.

For general expenses, Immigration and Naturalization Service, \$7.65.

For salaries, field service, Immigration and Naturalization Service, \$4.16.

For salaries and expenses, Federal Bureau of Investigation, \$10.63.

For salaries and expenses of marshals, and so forth, Department of Justice, \$35.17.

For traveling expenses, Department of Justice, \$1.30.

Department of Labor: For salaries and expenses, Division of Labor Standards, Department of Labor, \$23.93.

Navy Department: For Naval Research Laboratory, \$7,051.50.

For engineering, Bureau of Engineering, \$134,935.49.

For engineering, Navy, \$184,504.76.

For ordnance and ordnance stores, Navy, \$2,356.24.

For ordnance and ordnance stores, Bureau of Ordnance, \$100.

For pay, subsistence, and transportation, Navy, \$2,055.19.

For maintenance, Bureau of Supplies and Accounts, \$815.33.

For general expenses, Lighthouse Service, \$5.67.

For foreign-service pay adjustment, appreciation of foreign currencies (Navy), \$16.33.

For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Navy), \$23.50.

For Medical Department, Navy, \$2,825.

For pay and allowances, Coast Guard (Navy), \$16.10.

For rebuilding and repairing stations, and so forth, Coast Guard (Navy), \$80.01.

For contingent expenses, Coast Guard (Navy), \$19.17.

For aviation, Navy, \$306,880.45.

For pay, Marine Corps, \$793.49.

For general expenses, Marine Corps, \$120.84.

For Naval Reserve, \$1.99.

Post Office Department—Postal Service (out of the postal revenues): For clerks, first- and second-class post offices, \$270.58.

For indemnities, domestic mail, \$56.13.

For rent, light, and fuel, \$5.

Department of State: For Lower Rio Grande flood control, Department of State, \$32,302.72.

For office and living quarters' allowances, Foreign Service, \$62.50.

For Second Inter-American Radio Conference, Santiago, Chile, \$9.15.

Treasury Department: For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Treasury), \$44.66.

For contingent expenses, Treasury Department, \$33.

For collecting the revenue from customs, \$159.76.

For collecting the internal revenue, \$268.44.

War Department: For increase of compensation, Military Establishment, \$17.63.

For pay, and so forth, of the Army, \$171.01.

For pay of the Army, \$3,047.48.

For travel, military and civil personnel, War Department, \$23.26.

For travel of the Army, \$88.22.

For subsistence of the Army, \$11.51.

For clothing and equipage, Army, \$685.12.

For replacing clothing and equipage, \$330.21.

For Army transportation, \$246.24.

For barracks and quarters, Army, \$87.75.

For Air Corps, Army, \$33.75.

For National Guard, \$291.68.

For Organized Reserves, \$59.54.

For Reserve Officers' Training Corps, \$6.98.

For working fund, War, ordnance, \$4,482.80.

For cemeterial expenses, War Department, \$1.20.

For Civilian Conservation Corps (transfer to War), \$6,552.01.

For emergency conservation fund (transfer to War, Act June 19, 1934), \$178.56.

For emergency conservation fund (transfer to War, Act March 31, 1933), \$72.17.

For emergency conservation work (transfer to War, Act February 9, 1937), \$221.52.

For emergency conservation work (transfer to War, Act June 22, 1936), \$54.68.

For loans and relief in stricken agricultural areas (transfer from emergency conservation work to War, Act June 19, 1934), \$11.47.

District of Columbia: For Home for Aged and Infirm, expenses. District of Columbia, \$5.49.

Total, audited claims, section 204 (a), \$738,176.55, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency and interest as specified in certain of the settlements of the General Accounting Office.

SEC. 204. (b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the Act of June 20, 1874 (31 U. S. C. 713). and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1940 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the Act of July 7, 1884 (5 U. S. C. 266), as fully set forth in Senate Document Numbered 84, Seventy-eighth Congress, there is appropriated as follows:

The Judiciary: For fees and expenses of conciliation commissioners, United States courts, \$25.

Independent Offices: For Securities and Exchange Commission, \$24.06.

For motor transport regulation, Interstate Commerce Commission, \$44.13.

For salaries and expenses, Civil Service Commission, \$47.14.

For administrative expenses, Public Works Administration, \$7.07.

For general administrative expenses, Public Buildings Administration, \$72.80.

For operating supplies for public buildings, Public Buildings Administration, \$197.31.

For salaries and expenses, Veterans' Administration, \$119.20.

Department of Agriculture: For salaries and expenses, Soil Conservation Service, \$20.55.

For salaries and expenses, Bureau of Animal Industry, \$12.50.

For salaries and expenses, Bureau of Entomology and Plant Quarantine, 50 cents.

For acquisition of lands for protection of watersheds of navigable streams, \$550.

For salaries and expenses, Forest Service, \$3.65.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation), \$380.89.

For conservation and use of agricultural land resources, Department of Agriculture, \$325.64.

For land utilization and retirement of submarginal land, Department of Agriculture, \$480.

For liquidation and management of resettlement projects, Department of Agriculture, \$249.50.

For loans to farmers in drought- and storm-stricken areas, emergency relief, \$23.27.

Department of Commerce: For Civil Aeronautics Authority fund, \$6.920.

For establishment of air-navigation facilities, Civil Aeronautics Authority, \$1,737.50.

For increase of compensation, Department of Commerce, \$69.50.

For salaries, Patent Office, \$1,248.34.

Department of the Interior: For migratory bird conservation fund, Department of the Interior (receipt limitation), \$288.40.

For Indian school support, \$93.

For purchase and transportation of Indian supplies, \$23.71.

Department of Justice: For salaries and expenses, Lands Division, Department of Justice, \$15.

For salaries and expenses of marshals, and so forth, Department of Justice, \$13.52.

Navy Department: For engineering, Bureau of Engineering, \$29.254.

For rebuilding and repairing stations, and so forth, Coast Guard, \$20.

For pay, subsistence, and transportation, Navy, \$1,673.49.

For aviation, Navy, \$33,766.56.

For aviation 1938 contracts, Navy, \$585.60.

For miscellaneous expenses, Navy, \$1.35.

For maintenance, Bureau of Supplies and Accounts, \$1.05.

For contingent expenses, Coast Guard (Navy), \$15.78.

For general expenses, Lighthouse Service, Coast Guard (Navy), \$60.69.

Treasury Department: For collecting the internal revenue, \$24.92.

War Department: For clothing and equipage, Army, \$62.40.

For Signal Service of the Army, \$36,492.91.

For citizens' military training camps, \$1.62.

For travel of the Army, \$45.75.

For Army transportation, \$125.28.

For pay of the Army, \$7.18.

For increase of compensation, Military Establishment, \$36.99.

For Civilian Conservation Corps (transfer to War), \$1,676.49.

For emergency conservation fund (transfer to War, Act March 31, 1933), \$37.30.

For emergency conservation fund (transfer to War, Act June 19, 1934), \$40.61.

For loans and relief in stricken agricultural areas (transfer from emergency conservation work to War, Act June 19, 1934), \$9.58.

For emergency conservation work (transfer to War, Act February 9, 1937), \$20.16.

Total, audited claims, section 204 (b), \$117,251.89, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency and interest as specified in certain of the settlements of the General Accounting Office.

SEC. 205. For the payment of claims allowed by the General Accounting Office pursuant to the Act entitled "An Act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain, and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899", approved May 2, 1940 (Public Act Numbered 505, Seventy-sixth Congress), and which have been certified to the Seventy-eighth Congress under section 2 of the Act of July 7, 1884 (U. S. C., title 5, sec. 266), under the War Department in Senate Document Numbered 85, and House Document Numbered 227, \$5,973.67.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than

one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. The appropriations and authority with respect to appropriations in this Act in whole or in part for the fiscal year 1944 shall be available from and including July 1, 1943, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1943, and the date of the enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof.

SEC. 303. Appropriations contained in this Act may be used to reimburse the emergency fund of the President for advances made therefrom to meet obligations for purposes for which the funds are provided in this Act and for which purposes such appropriations are contained herein.

SEC. 304. This Act may be cited as the "Second Deficiency Appropriation Act, 1943".

Approved July 12, 1943, 4 p. m., E. W. T.

